

**MIDWAY SEWER DISTRICT
RESOLUTION NO. 2015-11**

RESOLUTION AMENDING DISTRICT CODE

Background:

1. Chapter 57.08 RCW authorizes the Board of Commissioners to purchase property and engage in public works projects subject to competitive bidding rules.
2. The Board intends to establish a formal policy regarding the procedures for purchasing property and complying with state procurement laws.

Resolution: NOW THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Midway Sewer District approves the following additions to the Midway Sewer District Code:

Chapter 3.36 of the Midway Sewer District Code is hereby replaced in its entirety with the following:

Chapter 3.36 Procurement

3.36.010 Purpose

It is the purpose of this policy to provide guidelines for the purchase of goods and services by the District in order to maintain an accountable procurement process. It is also the purpose of this policy to allow for the flexible application of these guidelines for more efficient and cost effective purchases where their strict application would not be in the District's best interest.

3.36.020 Definitions

- a) Bid Exemptions. RCW 39.04.280 establishes specific exemptions from the statutory bidding requirements in the following limited situations: 1) Purchases that are clearly and legitimately limited to a single source of supply; 2) Purchases involving special facilities or market conditions; and, 3) Purchases and Public Works in the event of an emergency.
- b) Cooperative Purchase. A Cooperative Purchase allows the District to comply with the statutory bid requirements by purchasing off of a bid that another municipal corporation has awarded. Use of Cooperative Purchase requires an interlocal agreement with the municipal corporation that is going to bid or has gone to bid.
- c) Designated Purchasing Cooperatives. The following interlocal cooperative purchasing arrangements are authorized for use by the District in accordance with the requirements of the sponsoring agencies.
 - 1) KCDA. The King County Directors' Association "KCDA" is a purchasing cooperative established by Washington's public school districts. The KCDA allows the District to purchase materials, equipment and supplies through the cooperative pursuant to the interlocal cooperation act (Chapter 39.34 RCW) in a manner that complies with statutory bidding and procurement requirements.

- 2) *State Purchasing Cooperative.* The State Purchasing Cooperative is established by the State of Washington, Department of General Administration and establishes a purchasing cooperative that allows the District through the interlocal cooperation act (Chapter 39.34 RCW) to purchase materials, equipment and supplies in accordance with statutory bidding and procurement requirements.
 - 3) *Department of Information Services.* The Department of Information Services is authorized under chapters 43.105 and 39.34 to provide information services to state and local governments. Purchases of software and information services through the Department of Information Services complies with the statutory bidding and procurement requirements.
 - 4) *Other Cooperatives.* The General Manager may authorize purchases through other purchasing cooperatives that comply with Washington State procurement requirements.
- d) *Emergency.* Unforeseen circumstances beyond the control of the District that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. (RCW 39.04.280(3)).
- e) *Lowest Responsible Bidder.* The lowest bidder on a competitively bid purchase of equipment, material or supplies or a public work be determined by consideration of the following factors:
- 1) The ability, capacity and skill of bidder to perform the work required;
 - 2) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
 - 3) The ability of the lowest bidder to perform the work in the time specified;
 - 4) The quality of performance of previous contracts or services;
 - 5) The previous and existing compliance of the bidder with laws relating to public works; and
 - 6) Such other information related to the performance of the contract as the bid solicitation deems advisable.
- f) *Public Work.* Means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the District, or which is by law a lien or charge on any property within the District (RCW 39.04.010).

3.36.030 Purchasing Authority.

- a) *Board of Commissioners:* The Board of Commissioners shall review and approve all vouchers on at least a monthly basis.
- b) *General Manager.* The General Manager shall have authority to make expenditures as necessary to the proper operation of the District. Provided, however, the General Manager shall obtain advance Board approval prior to making any specific expenditure that exceeds \$ _____ in value.

- c) Staff Purchases: The re-ordering of routine materials, supplies and equipment, as defined and limited by the General Manager, may be made by staff members without requiring any additional advance approval.
- d) Purchases Made Using a Bid Exemption. Purchases made using a Bid Exemption shall require formal action of the Board of Commissioners in the form of a Resolution approving use of the Bid Exemption.
- e) Emergency Purchases. In the event of an emergency the General Manager or General Manager's designee, may approve a purchase if it is not feasible to obtain approval of the Board of Commissioners but not in excess of \$. Such purchases shall be ratified by Resolution of the Board of Commissioners at a subsequent meeting of the Board.

3.36.040 Purchase of Materials, Equipment and Supplies.

- a) Purchases under \$40,000. No statutory process requirements. Staff shall use commercially reasonable means to make such purchases.
- b) Purchases from \$40,000 to \$50,000. Purchases must be made from the District's Vendor List, Designated Purchasing Cooperatives, or through a Cooperative Purchase or Bid Exemption, if applicable. If purchase cannot be made through the District's Vendor List, Designated Purchasing Cooperative, Cooperative Purchase or Bid Exemption, the purchase must be made through competitive bidding procedures as if purchase price exceeded \$50,000.
- c) Purchases over \$50,000. Formal sealed bidding procedure must be used unless purchase can be made through a Cooperative Purchase or Bid Exemption.

3.36.050 Public Works

- a) Public Works projects under \$50,000. No statutory bidding procedures required. Staff shall use commercially reasonable means to contract for such Public Works.
- b) Public Works projects from \$50,000 - \$300,000. The District shall establish and use the District's Small Works Roster.
- c) Public Works projects over \$300,000. Formal Sealed bidding shall be used except in case of an emergency.

3.36.060 Services – Architect and Engineer.

- a) The District shall use the RFQ process established under chapter 39.80 RCW prior to retaining the services of architects and engineers.

3.36.070 Services – Telecommunications and Data Processing.

- a) If the purchase cannot be made through a Designated Purchasing Cooperative, Cooperative Purchase or Bid Exemption the District shall use the competitive negotiation procedures established under RCW 39.04.270 when purchasing telecommunication and data processing services.

3.36.080 Services – Other

- a) No statutory procedures required. District staff shall use commercially reasonable means to identify and contract with service providers.

Adoption: ADOPTED at a regular meeting of the Board of Commissioners of Midway Sewer District on _____, 2015 the following Commissioners being present and voting:

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner