

SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT # 3
D/B/A/ORCAS ISLAND HEALTH CARE DISTRICT

PROCUREMENT POLICY

Section I. Purpose. This Procurement Policy is adopted by the Orcas Island Health Care District (the “District”) to help ensure that all procurements of goods, services, materials, equipment and supplies by the District are conducted in compliance with all relevant legal requirements, to provide a fair forum for those interested in bidding on public contracts, and to help ensure that public contracts are performed satisfactorily and efficiently at least cost to the public, while avoiding fraud, waste, and favoritism in their award. This policy sets forth comprehensive guidelines for the management of all purchases of the District.

Section II. Governing Principles

2.1. Compliance with Law. In handling all purchases, the District shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local laws, rules and regulations, as applicable. The following section highlights the legal framework of the Procurement issuance and roles and responsibilities in Procurement issuance.

2.2. Governing Law. The District may purchase equipment, materials, and goods and contract for services public works as provided in chapter 39 of the Revised Code of Washington (“RCW”).

2.3. Purchasing Code Of Ethics. To instill public confidence in the award of public contracts and the expenditure of public funds, the District adopts the following code of ethics with regard to public contracting: a) actions of District employees shall be impartial and fair; b) District decisions and policies shall be made in compliance with required procedures and within the proper channels of government structure; c) public employment shall not be used for personal gain, d) District employees shall not solicit, accept, or agree to accept any gratuity for themselves, their families, or others that would or could result in personal gain, e) purchasing decisions shall be made impartially, based upon the District’s specifications for the contract and the responses of those bidding on the contract; and f) No employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his

or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

2.3. Non-discrimination. It is the goal of the District to encourage Small and Minority Firms, and Women's Business Enterprises to be actively involved in the bidding process, however the District shall neither discriminate against, nor give preferential treatment to such businesses.

2.4. No Third Party Rights. This policy is intended solely for the convenience of and use by the District. Nothing in this policy is intended to create any liability for or against the District or any enforceable right, entitlement or cause of action in or for any third party.

2.5. Definitions. For the purposes of this chapter the words set out in this policy shall have the following meanings:

- A. "Architectural and engineering services" are services rendered by any person, other than a city employee, to perform activities within the scope of the professional practice of architecture RCW 18.08, professional practice of engineering and land surveying RCW 18.43, and/or professional practice of landscape architecture RCW 18.96
- B. "Award" means the formal decision by the District notifying a responsible bidder with the lowest responsive bid of the District's acceptance of the bid and intent to enter into a contract with the bidder.
- C. "Board" shall mean the Board of Commissioners of the District.
- D. "Contract" means a contract in writing for the execution of a fixed or determinable amount duly awarded after advertisement and competitive bid, or a contract awarded under the small works roster process in RCW 39.04.155.
- E. "Cost" for public works contracts includes the costs of labor, material, equipment and sales and/or use taxes, as applicable. For contracts for the purchase of service, materials, equipment or supplies cost shall include sales and/or use taxes, as applicable, and any delivery , handling or other charges.
- F. "Equitably distribute" means that the District may not favor certain contractors on the small works roster over other contractors on the roster who perform similar services. At the time bids or proposals are solicited, the Superintendent shall not inform a contractor of the terms or amount of any other contractor's bid or proposal for the same project.

- G. "Limited public works process" means the process used to award small works roster contracts valued at less than \$35,000.
- H. "Ordinary maintenance" is work not performed by contract and that is performed on a regularly scheduled basis (e.g. daily, weekly, seasonally, semiannually, but not less frequently than once per year), to service, check or replace items that are not broken; or work not performed by contract that is not regularly schedule.
- I. "Personal services" -interchangeable with professional services -are services that involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. These activities are mostly intellectual in nature, and they do not include architectural and engineering services or ordinary maintenance services. Example of services include accounting, legal, comprehensive planning, and real estate services,
- J. "Prevailing wages" means the wages paid in the town of Friday Harbor for all workers on the project who are employed in the trades listed at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>. Contractors must be told in advance that prevailing wages must be paid to all employees who work on the contract. It is the contractor's responsibility to file a Statement of Intent to Pay Prevailing Wages with the Industrial Statistician of the Department of Labor and Industrial Services. The contractor must also provide the District with certified weekly payrolls covering every person who works on the project site from every contractor and subcontractor of any tier for the duration of the contract.
- K. "Public work" as defined by RCW 39.40.010 means a complete project and includes 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 District property. Public work projects include the related materials, supplies, and equipment to complete the project.
- L. "Purchased services" -different from personal services in that these services are generally routine, repetitive, or mechanical in nature and supports the District's day to day operations. Purchased services include janitorial, debt collections, equipment service agreements, machine repair, or delivery services. (May include ordinary maintenance.)
- M. "Responsible bidder" is a bidder who, in accordance with RCW 39.04.350, has:
1. The ability, capacity, and skill to perform the contract or provide the service required;

2. Sound character, integrity, reputation, judgment, experience, and efficiency;
 3. The ability to perform the contract within the time specified;
 4. Performed previous contracts or services satisfactorily; and
 5. Complied with and is currently in compliance with all laws relating to the contract or services;
- N. "RFP -Request for Proposal" means a process that requests interested firms to submit a statement of their proposal for completing a project. Proposals are evaluated based upon the suitability, practicality, quality of the proposal, experience of the firm, cost, and any other factors relevant to the project.
- O. "RFQ -Request for Qualifications" means a request only for a firm's general capabilities, including a list of principals, previous projects, number of employees, and licenses. An RFQ does not include pricing information.
- P. "Small works roster" is a list consisting of all responsible contractors who have requested to be on the list, and, where required by law, are properly licensed or registered to perform such work in this state. The District subscribes to and shall use the small works roster kept by the Municipal Resource and Service Center ("MRSC"). When the contract amount for a public works project is \$300,000 or less, the District may follow the small works roster process for construction of a public work or improvement as an alternative to formal competitive bid requirements.
- Q. "Sole Source Supplier" occurs when purchase is clearly and legitimately limited to a single supplier. These situations often arise when an agency has specific technological requirements. Examples include: (a) licensed, copyrighted, or patented products or services that only one vendor provides; (b) new equipment or products that must be compatible with existing equipment or products; (c) proprietary or custom-built software or information systems that only one vendor provides; and (d) products or services where only one vendor meets the required certifications or statutory requirements. (RCW 39.04.280(1)(a)).
- R. "Superintendent" shall mean the Superintendent of the District.
- S. "Use Tax" is a tax on the use of goods or certain services in Washington when sales tax has not been paid. Goods used in Washington are subject to either sales or use tax, but not both.

- T. “Vendor list” is a list of available vendors kept on file in a database maintained by the MRSC.

2.6. Covered Contracts. This policy governs three types of contracts: (1) contracts for professional services, not including architects and engineers, (2) contracts for the purchase of equipment, materials and supplies, and (3) contracts for public works. Public works contracts which include the purchase of equipment, materials or supplies will be processed as a public works contract. Public works contracts are of four types:

1. Contracts which do not require bids;
2. Contracts which are let under the small works roster;
3. Contracts which are let under the limited public works process; and
4. Contracts which are put out to bid.

Section III. Purchase of Materials, Supplies or Equipment

3.1. Purchases Not Requiring Bidding or Use of a Vendor’s List. The District is not required to obtain sealed bids or use the procedures set forth in other sections of this policy to purchase supplies or equipment. The District will attempt to obtain the lowest practical price for such supplies and equipment.

3.2. Interlocal Agreements. The District may enter into interlocal agreements with other governmental entities to obtain favorable purchasing terms or pricing for the purchase of materials, supplies or equipment in lieu of following the procedures set forth in this section.

3.3. Small Purchases. The District shall follow the following process for the purchase of materials with a cost of less than \$15,000.

- A. **Telephone Quotations.** The District shall obtain telephone quotations from vendors for the purchase of materials in the following manner:
1. The Superintendent shall prepare a written description of the materials to be purchased, including the number, quantity, quality, and type desired, the proposed delivery date, and any other significant terms of purchase.
 2. The Superintendent shall make a good faith effort to contact at least three of the vendors on the vendor’s list to obtain telephone quotations from the vendors for the required materials.
 3. If the vendor list contains fewer than three potential vendors, the Superintendent may solicit telephone quotations from vendors listed

in the telephone book. Three potential vendors should be contacted whenever possible;

4. The Superintendent shall not share a telephone quotation from one vendor with other vendors solicited for a quotation on the materials until the contract is awarded;
 5. The Superintendent shall make a written record of each vendor's quotation on the materials and any conditions imposed on the quotation by the vendor; and
 6. The Superintendent shall present to the Board all telephone quotations and a recommendation for award of the contract to the responsible bidder with the lowest responsive bid.
- B. **Determining the Lowest Responsible Bidder.** The District shall purchase the materials from the lowest responsible bidder after considering the elements set out in RCW 43.19.1911(9); provided, that whenever the Superintendent or the Board believes that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the Superintendent may call for new bids. Any or all bids may be rejected for good cause.
- C. **Award.** The Board shall review quotations and the Superintendent's recommendations and award the contract to the lowest responsible bidder. The contract paperwork must include evidence that the purchasing requirements were met and the reason the vendor was chosen. If the bid is not awarded to the lowest price bidder under the rules of this policy, the Superintendent must document the specific factors which justified the selection of the vendor.
- D. **Public Availability of Bids.** The Superintendent shall make a written record of each vendor's quotation which shall be made open to public inspection or telephone inquiry after the award of the contract. A list of all contracts awarded by the District in the prior twenty-four (24) months shall be maintained on the District's website.

3.4. Purchase of Materials in an Amount Over \$15,000. Purchases of materials with a cost of more than \$15,000 but less than \$75,000 shall be awarded using the informal small works process detailed in Section 4.3. Purchases of materials with a cost greater than \$75,000 shall be awarded by public bid.

Section IV. Public Works

4.1. General. The District does not need to comply with formal bidding procedures for public works where the estimated cost does not exceed \$300,000.

- A. Before applying the dollar bidding limits in the following sections, the total cost of each public works project must be determined. The Superintendent should determine the fair and reasonable value of the work to be performed given the conditions that will be faced and the requirements of the proposed project or purchase. The cost estimate should reflect the amount that the District considers fair and reasonable and that it is willing to pay for the work contemplated.
- B. Several approaches can be used to make an estimate. The District can consider the actual cost of performance, considering the current cost of labor, equipment, and materials. A second approach arrives at an estimate by using historical data, reviewing recent contracts and adjusting for the proposed project and current market conditions. A third approach would be to combine historical bid data with actual cost data.

4.2. Small Works Roster. The small works roster shall be used to award contracts for public works and for purchases of materials without the need to formally advertise the contract. The following small works roster procedures are established for use by the District pursuant to Chapter 39.04 RCW.

- A. **Covered Contracts.** The provisions of this section 4.2 may be used for public works projects where the estimated cost does not exceed \$300,000 and for the purchase of materials where the estimated cost does not exceed \$75,000. The breaking of any project or purchases into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process.
- B. **Telephone or Written Quotations.** The Superintendent shall obtain telephone, written or electronic quotations for public works contracts from contractors on the small works roster to assure that a competitive price is established and to award contracts to the responsible bidder with the lowest responsive bid as follows:
 - 1. A contract awarded from a small works roster need not be advertised.
 - 2. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as details of all materials and equipment to be furnished. However, detailed plans and

specifications do not need to be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with state regulations and building codes.

3. Quotations may be invited from all appropriate contractors on the small works roster.

C. **Posting.** The Superintendent shall post a list of all contracts awarded using the small works roster at the District's offices at least once every year and make that list available to the Board. The list shall contain the name of the contractor or vendor awarded the contract, the amount of the contract, a brief description of the items purchased, or the type of work performed, and the date a contract was awarded. The list shall also state the location where the bid quotations for the contracts are available for public inspection.

4.3. Limited Public Works Process. If a public works project is estimated to cost less than \$35,000, the Superintendent may award the contract using the limited public works process provided under RCW 39.04.155(3).

A. For limited public works projects, the Superintendent will solicit electronic or written quotations from a minimum of three (3) contractors from the small works roster and shall award the contract to the lowest responsible bidder as defined under RCW 39.04.350.

B. The solicitation shall include an estimate of the scope and nature of the work to be performed as well as the materials and equipment to be provided.

B. After a limited public works award is made, the quotations shall be open to public inspection and available by electronic request.

C. For limited public works projects, the District may waive the performance bond requirements of Chapter 39.08 RCW and the retainage requirements of Chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, materialmen, suppliers, and taxes imposed under RCW Title 82 that may be due from the contractor for the limited public works project. However, the District shall have the right of recovery against the contractor for any payments made on the contractor's behalf.

- D. Vendors/contractors selected using the limited public works process are required to comply with prevailing wage and insurance requirements.
- E. The Superintendent shall maintain a list of the contractors contacted, and the contracts awarded during the previous twenty-four (24) months under the limited public works process including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the work performed and the date the contract was awarded.

4.4. Informal Small Works Process. In lieu of inviting bids from all contractors on the small works roster, for contracts for the performance of work with a cost of less than \$150,000 the District may follow this simplified process:

- A. If the estimated cost of work is less than \$35,000, quotations need only be invited from three (3) contractors on the small works roster who have indicated the capability of performing the kind of work or providing the materials being contracted. If the estimated cost of the work is from \$35,000 to \$150,000, the Superintendent may choose to solicit bids from five (5) contractors on the small works roster who have indicated the capability of performing the kind of work being contracted.
- B. If the bids received from the five (5) contractors are all over \$150,000, the Superintendent must also solicit bids from the remaining contractors on the small works roster who have indicated the capability of performing the kind of work being contracted. The Superintendent shall determine whether this notice to the remaining contractors is made by:
 - 1. Publishing notice in a legal newspaper in general circulation in the area where the work is to be done;
 - 2. Mailing a notice to these contractors; or
 - 3. Sending a notice to these contractors by facsimile or other electronic means.
- C. In either case, invitations must be solicited in a manner that will equitably distribute the opportunity among the contractors on the roster.
- D. A written record shall be made by the Superintendent of each contractor's bid on the project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry.

Section V. Publicly Bid Contracts.

5.1 Contracts Requiring Public Bidding. All competitively bid contracts must comply with the applicable provisions of Chapter 36.32 RCW. The following contracts must be advertised and put out for public bids:

- A. All public works projects that are not exempt under state statute and that do not qualify for the small works roster or limited public works process set forth in Sections 4.2 and 4.3 above;
- B. All purchases of materials estimated to cost over \$75,000.

5.2. Public Bid Procedures. The following process shall be used in the awarding of contracts through the bidding process. This section applies to any contract, regardless of type, when the bidding process is used to procure a contract.

- A. **Invitation for Bids.** The invitation for bids (“IFB”) process shall be used for all contracts where price is the sole criterion for awarding a contract.
- B. **RFPs.** The RFP process is used for goods and services where it is important to consider other factors such as quality and past performance.
- C. **Specifications.** Specifications for IFBs or RFPs shall be in writing and shall be filed in the District office for public inspection.
- D. **Publication.** IFBs and RFPs shall be posted on the District’s website and published at least once in a newspaper of general circulation in the District; at least thirteen (13) days prior to the last date upon which bids or proposals will be accepted.
- E. **Content of IFB/RFP.** All IFBs and RFPs must include (1) the date, time and place where bids or proposals will be due, (2) the date, time and place where bids or proposals will be opened, (3) the requirement that bids or proposals for public works be accompanied by a bid guarantee, (5) the requirement that prevailing wages be paid for the work, (6) the materials, equipment, supplies or services to be purchased, or the character of the work to be done (7) the materials and equipment to be furnished, and (8) the criteria that will be used to evaluate proposals and the weight that will be given to each of the criterion. The IFP or RFP must also state that the specifications may be viewed at the District’s office.

- E. **Bid Guarantee.** Each bid or proposal received by the District in response to a published IFB or RFP must, pursuant to RCW 35.23.352 be accompanied by a bid proposal deposit in the form of a cashier's check, postal money order or surety bond payable to the District in an amount of not less than five percent (5%) of the bid or proposal amount.
- F. **Acceptable Bids or Proposals.** The bids or proposals shall be in writing, sealed and filed with the Superintendent on or before the deadline for filing bids. The Superintendent shall mark each bid or proposal with the date and time received. Bids received by fax or e-mail will not be accepted. To be deemed to be responsive a bid or proposal must address all elements of the solicitation.
- G. **Opening of Bids or Proposals.** The bids or proposals shall be opened and read in public by the Superintendent at the time and place named in the advertisement. Bids shall be tallied by the Superintendent who shall present the tally and a recommendation of award to the Board for final determination. Proposals shall be evaluated by the Superintendent against the criteria specified in the RFP and the Superintendent shall assign each response a score for each of the criteria. The Superintendent shall present the total scores for each proposal and a recommendation of award to the Board for final determination. Immediately after the award is made by the Board, the bids or proposals shall be recorded and open to public inspection and shall be available to telephone inquiries.
- H. **Bids and Proposals Must be Submitted by a Responsible Party.** The Superintendent shall review the materials submitted by responding parties to determine if they are responsible. The District may adopt additional criteria for determining responsibility for a project. Supplemental criteria for determining responsibility, including the basis for evaluation and the deadlines for appealing an adverse determination must be provided in the IFB or RFP. If the Superintendent determines that a party is not responsible, the Superintendent shall provide in writing the reasons for the determination. The party may appeal the determination within the time period specified in the IFB or RFP by presenting additional information to the District. The Superintendent must present the additional information to the Board for consideration before the Board issues its final determination. If the Board determines that the party is not responsible, the District may not execute a contract with any other party until two (2) business days after the party who has been determined to be not responsible has received the final determination.

- I. **Determining Lowest Responsive Bid or Proposal.**
1. **Bids.** The District shall award the contract to the lowest responsive bid provided that, whenever there is a reason to believe that the lowest bid is not in the best interest of the District, the bid that is determined to be the lowest responsive and responsible bid may be selected or all bids may be rejected and the Superintendent may call for new bids. If the bid is not awarded to the lowest price bidder, the District must document the specific factors which justified the selection of the successful vendor.
 2. **Proposals.** The District shall award the contract to the highest scoring responsive proposal provided that, whenever there is a reason to believe that the response with the highest score is not in the best interest of the District, the proposal that is determined to be the highest responsive and responsible proposal may be selected or all proposals may be rejected and the Superintendent may call for new proposals. If the contract is not awarded to the highest scoring proposal, the District must document the specific factors which justified the selection of the successful vendor.
- J. **No Responsive Bids/Proposals.** If the District does not receive any responsive bids/proposals in response to its IFB/RFP, the Superintendent is authorized to obtain the item through direct negotiations with a vendor or to rebid the item.
- K. **Return of Bid Guarantees; Performance Bond.** After an award has been made or all bids/proposals have been rejected, the Superintendent shall return the bid guarantees to the unsuccessful respondents and require the successful respondent to replace their bid guarantee with a performance bond in the full amount of the contract.
- L. **Negotiating a Contract.** The District shall negotiate a written contract for the goods or services with the winning respondent. When a satisfactory contract has been negotiated, the contractor shall provide a performance bond in the contract amount and the District shall release the contractor's bid guarantee.
- M. **Failure to Contract.** If a satisfactory contract cannot be negotiated within ten (10) days of the announcement of the award, the District will terminate the negotiations with the successful respondent, return the respondent's bid guarantee, and attempt to negotiate a contract with the next most qualified respondent. The process shall continue through the responsive

respondents until a contract is negotiated or the search for a contract is terminated.

5.3. Exemptions From Public Bidding Process. State law provides exemptions in certain circumstances from public bidding requirements. These exemptions include, but are not limited to:

- A. Purchases made pursuant to RCW 39.04.270 (electronic data processing and telecommunications by competitive negotiation);
- B. Purchases made pursuant to RCW 39.04.280 (sole source suppliers, public works during emergencies, purchase of insurance or bonds, purchases involving special facilities or market conditions); and
- C. Purchases made pursuant to RCW 39.30.045 (purchases at auctions).
- D. Purchases made from or through Federal, State or local government per RCW 39.32.070-090.
- E. Purchases made pursuant to RCW 39.33.010 of surplus property from a governmental entity.
- F. Purchases made pursuant to RCW 39.34.030 under an interlocal agreement that the District has entered into with another public agency or the Office of State Procurement. The competitive bidding process of the other agency may be used for the purchase(s) if they are consistent with the District's public bidding process.

Section VI. Service Contracts

6.1. No State Guidelines. State law does not provide guidelines for selecting personal and professional service providers. Some federal and state funding sources provide guidance; however, in general governmental agencies are left to their own discretion in hiring contractors for services. This policy establishes guidance for the Superintendent when these cases arise.

6.2. Services Covered. Services typically covered by this policy include professional and personal services. Selected companies or individuals will typically provide advice, reports, opinions, representations, plans, etc. Service providers will be referred to as consultants. Contracts for architects and engineering services are outside the scope of this section and are governed by Section VII. Maintenance services contracts are also outside the scope of this section and are covered by Section VIII.

6.3. Approval of Service Contracts. All service contracts shall be signed by the Superintendent or the President of the Board following approval of the contract by the Board.

6.4. Guidelines for Service Contracts. For service contracts the Superintendent shall:

- A. Prepare a brief description of the services to be provided, including the time frame, and quality required.
- B. Obtain recommendations or research to identify one or more consultants qualified to perform the work.
- C. Request a proposal from the identified consultant(s).
- D. Evaluate the proposal(s) on the following bases:
 - 1. Price;
 - 2. Ability, capacity and skill to perform the work;
 - 3. Character, integrity, reputation, judgment, experience and efficiency to perform the work;
 - 4. Ability to perform the work within the time specified;
 - 5. Quality of work under previous contracts, if any;
 - 6. Previous and existing compliance by the consultant with laws relating to those contracts; and
 - 7. Such other information as may have a bearing on the decision to make the award.
- E. The Superintendent may accept or reject a proposal for any reason and call for a new proposal from a new consultant.

Section VII. Architectural and Engineering Projects.

7.1. RFQ. The District must follow the procedure set forth below when it wishes to engage architectural or engineering services.

- A. The District must prepare an RFQ that contains a concise statement of the general scope and nature of the project or work for which services are sought, the evaluation criteria to be used and the address of the Superintendent for anyone who wishes more detail on the project.
- B. The notice must be published in a newspaper of general circulation in the area.

7.2. Evaluation of Responses. The District shall evaluate all responses to its RFQ in the following manner:

- A. The District shall establish an evaluation committee consisting of the Superintendent and two (2) members of the Board.
- B. To assist in evaluating responses and to insure a proper evaluation of the submittals, the evaluation committee shall establish evaluation criteria before a RFQ is made, assigning a maximum weight to each element of the criteria. The evaluation criteria should be specifically developed for each project based upon size, complexity, time frame, etc. Cost may not be an element of the evaluation criteria.
- C. The evaluation committee shall judge each response using the evaluation criteria and assigning each response a numerical value for each of the evaluation criterion. The District shall negotiate with the respondent receiving the highest score on the evaluation criteria

7.3. Negotiation of Contract. After the most qualified firm has been chosen, the Superintendent or the evaluation committee may negotiate a contract for the services at a price that the committee determines to be fair and reasonable, considering the estimated value of the services to be rendered, as well as the scope and complexity of the project. Any agreement reached must be approved by the full Board. If a satisfactory contract cannot be negotiated, the District may notify the bidder that it is terminating the negotiations and attempt to negotiate a contract with the next most qualified firm. The process continues until an agreement is reached or the search is terminated.

7.4. Posting of Responses. The Superintendent shall post at the District office all responses received to the District's advertised request for qualifications as soon as a contract is awarded at the District office. The list shall be available for public inspection and for telephonic inquiries.

7.5. Exception. The District does not need to follow the request for qualifications process if an emergency requires immediate execution of the work involved pursuant to RCW 39.80.060 (6) (C)

SECTION VIII. Maintenance Services

8.1. Maintenance Services. Maintenance services may be provided under a maintenance contract or on a case by case basis.

8.2. No Required Process. Maintenance work is not considered a public works and Washington law does not require a formal bid process. The District is not required to follow any of the procedures set forth in other sections of this policy to purchase maintenance services. The District will attempt to obtain the services at market rates, seeking the best combination of price and services.

8.3. Repairs During Maintenance. Repairs on a public building or property carried out under a maintenance contract do not have to be taken out to bid unless the cost exceeds \$15,000.

Section IX. General

9.1. Signature Authority.

- A. All contracts for any purpose up to the amount of \$15,000, and public works contracts for up to \$15,000 that are part of the District's budget may be signed by the Superintendent. This includes projects awarded under the limited small works roster.
- B. Contracts that are not part of the current District budget or are for more than \$15,000 shall be signed by the President of the Board.
- C. The Superintendent is authorized to open bid proposals, execute construction contract documents and change orders and accept completed work for public works projects within the District's budget.

9.2 Prevailing Wages. Hourly wages paid to laborers, workers, or mechanics upon all public works and under all public building service maintenance contracts shall not be less than the prevailing rate of wage as defined in RCW 39.12.020 and determined by the State Department of Labor and Industries. All contractors and subcontractors must comply with the provisions of RCW 39.12.040(1).

9.3. Insurance. All contractors providing services to the District with a value greater than \$3,500 shall carry general liability insurance and provide the Superintendent with proof of insurance at the time of contract negotiations and at other times, on request.

9.4. Performance Bond. Prior to commencing work or delivering contracted for items, contracting parties are required pursuant to RCW 39.08.010 to provide the District with a payment and performance bond in the amount of the contract price issued by a surety company. For contracts of less than \$150,000 the bond may be issued by an individual surety. The District shall retain the bond for thirty (30) days after the date of final acceptance, or until receipt of all necessary releases from the Department of Revenue, the Employment Security Department, and the Department of Labor and Industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later.

9.5. Retainage. On contracts for \$150,000 or less, at the option of the contractor, the District may, in lieu of a performance bond, retain ten percent (10%) of the contract amount for a period of thirty (30) days after the date of final acceptance, or until receipt of all necessary releases from the Department of Revenue, the Employment Security

Department, and the Department of Labor and Industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later. Neither retainage nor a performance bond is required for contracts for \$3,500 or less

Policy Adopted: _____