

## MANAGEMENT SUPPORT

### Bid or Request for Proposal Requirements

The Board of Directors of the Port Townsend School District recognizes the importance of:

- maximizing the use of district resources;
- the need for sound business practices in spending public money;
- the requirement of complying with state laws governing purchasing and public works;
- the importance of standardized purchasing regulations; and
- the need for clear documentation.

#### I. Procurement and Public Works Using Non-Federal Funds

##### A. Furniture, Supplies, or Equipment

Whenever the estimated cost of furniture, supplies or equipment (except books) will cost:

- less than \$40,000, no competitive bidding process is required to make the purchase;
- between \$40,000 and \$75,000, the Board will follow the informal competitive bidding process by requiring quotes from at least three different sources to be obtained in writing or by telephone and recorded for the public to review; and
- over \$75,000, the Board will follow the formal competitive bidding process by:
  1. preparing clear and definite plans and specifications for such purchases;
  2. providing notice of the call for formal bids by publication in at least one newspaper of general circulation in the district at least once each week for two consecutive weeks;
  3. ensuring that the district takes steps to assure that when possible, the district will use small and minority owned businesses, women's business enterprises and labor surplus firms;
  4. providing the clear and definite plans and specifications to vendors interested in submitting a bid;
  5. require that bids be in writing;
  6. opening and reading bids in public on the date and in the place named in the notice; and
  7. filing all bids for public inspection after opening.

##### B. Use of Non-Federal Funds for Improvements or Repairs

The Board may make improvements or repairs to district property through a district department without following the competitive bidding process if the total cost of improvements or repairs does not exceed \$75,000. If the Board estimates that the total cost of a building, improvement, repair, or other public works project is \$100,000 or more, the Board will follow the formal competitive bidding process

outlined above unless the contract is let using the small works roster process authorized by RCW 39.04.155 or under any other procedure authorized for school districts. There are no statutory bidding requirements for public works projects involving improvements or repairs that are within the \$75,000 to \$100,000 range. For projects in this range, the district may consider: using its small works roster process, under RCW 39.04.155; using an inter-local agreement or contract with a vendor of the district's choice, without any competitive process, under RCW 28A.335.190; or choosing to require quotes for the work to make the process more competitive.

**C. Construction-related services**

**The board, when contracting for construction-related professional and personal services, shall include in bid documents language that encourages participation by minority or women-owned business enterprises. The services covered by this section include, but are not limited to, construction management services, value engineering services, and building commissioning services.**

**D. Exemptions**

The Board may waive bid requirements for purchases:

- clearly and legitimately limited to a single source of supply;
- involving special facilities or market conditions;
- in the event of an emergency;
- of insurance or bonds; and
- involving public works in the event of an emergency.

“Emergency” means unforeseen circumstances beyond the district's control that present a real, immediate threat to the proper performance of essential functions or will likely result in material loss or damage to property, bodily injury or loss of life if immediate action is not taken.

The board may also waive bid requirements for making improvements to district property if it contracts with an eligible local organization, such as a chamber of commerce, service organization, or other community, youth, or athletic association. Such organizations may utilize non-paid volunteers for completing the projects. The total value of such contracts may not exceed the lesser of \$75,000 or \$2 per resident of the district in a calendar year.

Whenever the Board waives bid requirements, the Board will issue a document explaining the factual basis for the exception and record the contract for open public inspection.

**E. Rejection of Bids**

The Board may by resolution reject any and all bids and make further calls for bids in the same manner as the original call.

**F. Interlocal Cooperation Act**

The Board reserves the right to enter into inter-local cooperative agreements for purchases and public works with other governmental agencies pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW. The board will ensure that the other governmental entities have followed their own procedures for procurement prior to making any purchases under this section. The board must have entered into these agreements prior to making any purchase arrangements utilizing the contracted terms. Use of cooperative agreements for public works contracts does not relieve the board of other obligations under public works contract requirements, such as retainage, prevailing wage, etc.

#### G. Crimes Against Children

The Board will include in any contract for services with an entity or individual other than an employee of the district a provision requiring the contractor to prohibit any employees of the contractor from working at a public school who has contact with children at a public school during the course of their employment and who has pled guilty to or been convicted of any felony crime specified under RCW 28A.400.322. The contract shall also contain a provision that any failure to comply with this section shall be grounds for the district immediately terminating the contract.

#### H. Women and Minority Owned Businesses

The district will ensure that it is providing every opportunity for businesses owned by women or minorities to submit bids on any contract. The district will maintain documentation of efforts to collect bids from women or minority-owned businesses as part of the bidding process. The district will also ensure that any small works roster or similar list is open and available to participation by women or minority-owned businesses, and that such businesses on its small works roster are treated fairly and equally when requesting bids.

## II. Procurement Using Federal Funds

### A. Goods

When the district uses federal funds for procurement of textbooks, the allowable self-certification is \$50,000. When the district uses federal funds for procurement of goods, including furniture, supplies, and equipment:

- Purchases of \$10,000 or less do not require quotes. However, the district must consider the price to be reasonable, and, to the extent practical, distribute purchases equitably among suppliers.
- Purchases between \$10,000 and \$75,000 must be procured using price or rate quotations from three or more qualified sources.
- Purchases of \$75,000 or more must be publicly solicited using sealed bids.

#### Self-Certification

If during a given fiscal year, the district qualifies as a low-risk auditee in accordance with criteria in 2 C.F.R. § 200.520 or has documentation it received a low risk assessment after an annual internal institutional risk assessment to identify, mitigate, and manage financial risks, then it could use the following thresholds instead of the

ones described above:

- Purchases of \$40,000 or less do not require quotes. However, the district must consider the price to be reasonable, and, to the extent practical, distribute purchases equitably among suppliers.
- Purchases between \$40,000 and \$75,000 must be procured using price or rate quotations from three or more qualified sources.
- Purchases of \$75,000 or more must be publicly solicited using sealed bids or requests for proposals.

If the district uses Self-Certification, the Superintendent will develop Self-Certification procedures to accompany this policy. Additionally, if the district qualifies for Self-Certification and wants to go above the \$40,000 or \$50,000 Self-Certification limits, the district reserves the right to seek approval for higher limits from OSP.

**B. Services**

When the district uses federal funds for procurement of services;

- Purchases of \$10,000 or less do not require quotes. However, the district must consider price to be reasonable, and, to the extent practical, distribute purchase equitably among suppliers.
- Purchases between \$10,000 and \$250,000 must be procured using price or rate quotations from a reasonable number of qualified sources.
- Purchases of \$250,000 or more must be publicly solicited using sealed bids or requests for proposals.

**Self-Certification**

If during a given fiscal year, the district qualifies as a low-risk auditee in accordance with criteria in 2 C.F.R. § 200.520, as determined by the auditor or has documentation it received a low risk assessment after an annual internal institutional risk assessment to identify, mitigate, and manage financial risks, then the district may use the following Self-Certification thresholds instead of the ones described above:

- Purchases of \$50,000 or less do not require quotes. However, the district must consider the price to be reasonable, and, to the extent practical, distribute purchases equitably among suppliers.
- Purchases between \$50,000 and \$250,000 must be procured using price or rate quotations from a reasonable number of qualified sources.
- Purchases of \$250,000 or more must be publicly solicited using sealed bids or requests for proposals.

If the district uses Self-Certification, the Superintendent will develop Self-Certification procedures to accompany this policy. Additionally, if the district qualifies for Self-Certification and wants to go above the \$40,000 or \$50,000 Self-Certification limits, the district reserves the right to seek approval for higher limits from OSPI.

### C. Noncompetitive Procurement

Noncompetitive procurement may be used when one of the following five circumstances applies:

- Acquiring property or services that do not exceed \$10,000 [or in the case of a school district who qualifies as a low-risk auditee in accordance with criteria in 2 C.F.R. § 200.520 or has documentation of an annual internal institutional risk assessment to identify, mitigate, and manage financial risks, \$40,000];
- The item is only available from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The awarding agency (e.g., OSPI) authorizes a noncompetitive procurement in response to a written request from the district; or
- After solicitation of a number of sources, competition is determined inadequate.

The district must maintain documentation supporting the applicable circumstance for noncompetitive proposals.

### D. Cost/Price Analysis

The district will perform a cost or price analysis in connections with every procurement action in excess of the federal simplified acquisition threshold, currently set at \$250,000 or other limits identified in 48 CFR 2.101, including contract modifications. The method and degree of analysis is dependent on facts surrounding the procurement situation, but should include, as a starting point, independent estimates before receiving bids or proposals.

In cases where no price competition exists and in all cases where the district performs the cost analysis, profit must be negotiated as a separate element in the process. To ensure profit is fair and reasonable, consideration must be given to the complexity of the work performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of the contractor's past performances, and industry standard profit rates in the surrounding geographical area.

Costs or prices based on estimated costs for contracts are allowed only to the extent that the costs incurred or cost estimates would be allowable under 2 CFR 200.400 - .476.

### E. Suspension and Debarment

Before entering into federally funded vendor contracts for goods and services that equal or exceed \$25,000 and any subcontract award, the district will ensure the vendor is not suspended or debarred from participating in federal assistance programs.

### F. Conflict of Interest

No employee, officer, or agent may participate in the selection, award or administration of a contract supported by federal funds if they have a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of their immediate family, their 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.

No employee, officer or agent of the district may solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Violation of these standards may result in disciplinary action including, but not limited to, suspension, dismissal, or removal.

#### G. Interlocal Cooperation

The board reserves the right to enter into interlocal cooperative agreements for purchases with other governmental agencies, or groups of governmental agencies, pursuant to 2 CFR 200.318(e) and the Interlocal Cooperation Act, Chapter 39.34 RCW. Prior to making any purchases through agreements entered into in this manner, the district will confirm the other governmental agency has followed its purchasing procedures, and shall maintain that documentation for the duration of the contract. The board must have entered into these agreements prior to making any purchase arrangements utilizing the contracted terms. Use of cooperative agreements for public works contracts does not relieve the board of other obligations under public works contract requirements, such as retainage, prevailing wage, etc.

#### H. Women and Minority-Owned Businesses

The district will ensure that it is providing every opportunity for businesses owned by women or minorities to submit bids on any contract. The district will maintain documentation of efforts to collect bids from women or minority-owned businesses as a part of the bidding process. The district will also ensure that any small works roster or similar list is open and available to participation by women or minority-owned businesses, and that such businesses on its small works roster are treated fairly and equally when requesting bids. The district will also include language requiring any prime contractor that employs subcontractors to show proof that it provides equal opportunity for bidding to women or minority-owned businesses.

#### I. Federal Agency or Pass-Through Entity Review

The district will maintain records of all purchases made using Federal funds and shall provide any and all documentation to the Federal awarding agency or the state pass-through entity for compliance with all rules and regulations.

### III. Procedures

The superintendent or designee will establish bidding and contract awarding procedures consistent with state and federal law.

Legal References:	RCW 28A.335.190	Advertising for bids – Competitive Bid procedure – Purchases from inmate work programs – Telephone or written solicitation, limitations – Emergencies
	RCW 28A.400.330	Crimes Against Children – Contractor Employees – Termination of Contract
	RCW 39.04.155	Small Works Roster Contract Procedures – Limited Public Works Process – Definition
	RCW 39.04.280	Competitive Bidding Requirements – Exemptions
	RCW 39.26.160	Bid Awards – Considerations – Requirements

RCW 39.30.060	and criteria to be set forth – Negotiations - Use of enterprise vendor registrations and bid notification system
Chapter 39.34 RCW	Bids on public works – Identification, substitution of contractors
2 CFR Part 200	Interlocal Cooperation Act Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
2 CFR 200.67	Micro-purchase
2.CFR 200.88	Simplified Acquisition Threshold
2 CFR 200.318	General Procurement Standards
2 CFR 200.320	Methods of Procurement to be Followed
2 CFR 200.520	Criteria for a low-risk auditee
2 CFR 3485	Nonprocurement Debarment and Suspension
2 CFR 200.324	Contract Cost and Price
2 CFR 200.321	Contracting with small and minority businesses, women s business enterprises, and labor surplus area firms.
2 CFR 200.325	Federal awarding agency or pass-through entity review.

Management Resources:	<i>Policy News</i> , June 2001	Legislation Further Simplifies Bid Compliance
	<i>Policy News</i> , October 2005	Competitive Bid Process Change
	<i>Policy News</i> , February 2011	
	<i>Policy News</i> , April 2012	
	<i>Policy News</i> , June 2013	
	<i>Policy News</i> , June 2015	
	<i>Policy News</i> , October 2015	
	<i>Policy News</i> , March 2016	
	<i>Policy News</i> , July 2017	
	<i>Policy News</i> , August 2018	
	<i>Policy Alert</i> , January 2019	
	<i>Policy News</i> , December 2020	

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