

## **BID REQUIREMENTS**

The board of directors of the Cashmere 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 and federal laws governing purchasing;
- the importance of standardized purchasing regulations; and
- the need for clear documentation.

### **Procurement Using State Funds**

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;
- over \$75,000, the board will follow the formal competitive bidding process by:
  1. preparing clear and definite plans and specifications for such work or 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 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. open and read bids in public on the date and in the place named in the notice; and
  7. file all bids for public inspection after opening.

### **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.

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.

Whenever bid requirements are waived, a document explaining the factual basis for the exception and the contract will be recorded and open for public inspection.

The board may by resolution reject any and all bids and make further calls for bids in the same manner as the original call. The board reserves the right to purchase through an inter-local cooperative agreement with another governmental agency provided such agency has complied with the bidding requirements that are applicable to school districts.

The board will include in each contract a proviso requiring the contractor to prohibit any of its employees who has ever been convicted of or pled guilty to any of the child related felonies from working where he/she would have contact with public school students. The contract will also provide that failure to comply with this requirement is grounds for immediate termination of the contract.

The superintendent will establish bidding and contract awarding procedures for all purchases of furniture, equipment, supplies (except books) or public works projects consistent with state law.

#### **Use of State 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 \$100,000. If the board estimates that the total cost 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.

#### **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.

### **Procurement Using Federal Funds**

When federal funds are used for procurement of goods (furniture, supplies, equipment, and textbooks):

- Purchases of \$10,000 less do not require quotes. However, the district must consider 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.

When federal funds are used 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 purchases 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.

Procurement by noncompetitive proposals may only be used when one of the following four circumstances applies:

- 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 proposal 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.

### **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.

### **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.

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

### **Conflict of Interest**

No employee, officer or agent may participate in the selection, award or administration of a contract supported by federal funds if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization that 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.

### **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.

Legal References:

- RCW 28A.335.190 Advertising for bids — Competitive bid procedures — Purchases from inmate work programs — Telephone or written quotation 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 39.30.060 Bids on public works — Identification, substitution of contractors
- 2 CFR \_200.318 – General Procurement Standards
- 34 CFR \_ 80.36 Procurement
- 34 CFR \_ 85 Debarment and Suspension

Management Resources:

- 2021 – December Issue
- 2020 – December Issue
- 2019 – January 2019 – January Policy Alert
- 2018 – August Issue
- 2017 – July Issue
- 2016 – March Issue
- 2015 – October Policy Issue
- 2015 – June Policy Issue
- 2013 – June Issue
- 2012 – April Issue
- 2011 – February Issue
- Policy News, October 2005 Competitive Bid Process Changes
- Policy News, June 2001 Legislation Further Simplifies Bid Compliance