

**Poulsbo Port District – Port Commission
Poulsbo Marina-18809 Front Street
Multi-purpose Building on ‘E’ Dock**

Subject	*HYBRID* Regular Meeting Agenda	Date	11/20/2025
Recorder	Cassidy Conners	Start Time	7:00 PM
Commission Chair	Jay Lawrence	End Time	9:00 PM
Commission Members	Jamie Green, Jeff Pfeil		
Staff Present	James Weaver-Port Manager, Carol Tripp-Port Accountant		

AGENDA		
No.	Topic	Action/Recommendation/Discussion
1.	CALL TO ORDER	
2.	COMMISSIONER COMMENTS	
3.	PBA REPORT / PUBLIC COMMENTS (limit of 3 minutes)	
4.	CONSENT AGENDA ITEMS (Next Res: 2025-16) All matters listed within the Consent Agenda have been distributed to each member of the Commission for reading and study, are considered to be routine and will be enacted by one motion of the commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by a Commission member or by Citizen Request. A. Approve meeting minutes of: November 06, 2025 B. Warrants: 19302 – 19333, P14459 – P14467 and EFT's of 11/10/25, 11/21/25 & 11/25/25 in the amount of \$88,882.61	
5.	OLD BUSINESS ITEMS	
6.	NEW BUSINESS ITEMS	
	A. Commissioner Responses to public comments/discussions	
	B. Commission Pfeil Election Process	
	C. Accounting Report – C. Tripp	
	D. Managers Report – J. Weaver	
7.	PUBLIC COMMENT FOR FUTURE MEETINGS	
8.	COMMISSIONER COMMENTS	
9.	ADJOURN	

Time: Nov 20, 2025 07:00 PM Pacific Time (US and Canada)

<https://us02web.zoom.us/j/87095265755>

Meeting ID: 870 9526 5755

One tap mobile

+12532158782..87095265755# US (Tacoma)

+12532050468..87095265755# US

The Port of Poulsbo provides a time for citizen input during, ‘Public Comments.’ Please limit yourself to three (3) minutes per person. If you wish to address the Commission, please step up to the podium and speak clearly. The Commission is committed to maintaining a meeting atmosphere of mutual respect and speakers are encouraged to honor this principle. The Board will address public comments during ‘New Business Items – public comments.’ If you wish to attend the Commission meeting and require physical accommodations in order to do so, please call (360) 779-9905 by 9 a.m. the day of the meeting.

PORT OF POULSBO REGULAR MEETING
NOVEMBER 6, 2025
7:00 PM

Present: Commissioner Lawrence, Commissioner Pfeil, Port Manager Weaver, Port Accountant Tripp, Recording Secretary Cassidy Connors

Absent: Commissioner Green

Call to Order

The regular meeting of the Port of Poulsbo Commission was called to order at 7:07 PM by Commissioner Lawrence following a brief delay due to technical setup for the hybrid Zoom connection.

Commissioner Comments

Commissioner Lawrence noted that Commissioner Green was unable to attend due to illness. He congratulated local election participants and expressed appreciation for staff diligence during the Port's busy fall season.

Poulsbo Boater's Association

There was no formal Poulsbo Boater's Association report.

Public Comments

Manager Weaver summarized feedback received from the recent PBA meeting held at Casa Luna on November 5, 2025. Discussion focused on derelict vessels within Liberty Bay, with members expressing appreciation for the Port's ongoing coordination with partner agencies to address moorage and enforcement challenges.

Consent Agenda

All matters listed under the Consent Agenda were considered routine and enacted by one motion.

- A. Approval of Meeting Minutes – October 16, 2025
- B. Approval of Warrants 19290–19301, P14436–P14458, and EFTs of 10/24/25, 10/31/25, and 11/07/25 totaling \$107,779.96
- C. Approval of Resolution 2025-16 – Write-Off of Uncollectible Receipts in the amount of \$1,483.01 (accounts: M. Burgess, M. Eckroth, E. Fernandez, D. Peters)

Motion: Move to approve the Consent Agenda as presented.

Moved by: Commissioner Pfeil **Seconded by:** Commissioner Lawrence

Motion passed.

Old Business Items

No old business items were presented.

New Business Items

Manager's Report – Manager Weaver

1. Community Event – Halloween “Ghoulsbo”: The Port hosted a themed booth modeled after the Pike Place Market fishmongers, distributing Swedish Fish candy to approximately 100 children despite heavy rain. Staff participation was noted and appreciated.
2. Guest and Yacht Club Visits: Two yacht clubs are scheduled for the weekend of November 28–30, marking a strong finish to the 2025 guest moorage season.
3. American Cruise Lines Visit: The American Constellation (278 ft) visited the Port on October 28, 2025 as part of an exploratory review for potential inclusion of Poulsbo as a Port of Call in its 2027–2028 Puget Sound itinerary. A Representative from Sound West Engineering was on site for the docking and reviewed the process. A initial recommendation was identified of adding two additional dolphins to the exterior of the breakwater for the large cruise ship mooring arrangements.
4. Environmental Compliance: The Port successfully completed its Clean Marina recertification of the spill response training and resources and successfully passed the inspection. The certification assists the marina operations and is helpful for grants.
5. Fuel Dock Inspection: Additionally, the Washington State Department of Ecology conducted its annual inspection of the fuel dock system for State compliance. The Port had not had an annual inspection in over two years due to prior construction. Inspectors commended Port staff for their preparedness and training. Manager Weaver recognized Port staff for their professionalism and commitment to environmental best practices.
6. RCO Agreement Coordination: The Washington State Recreation and Conservation Office (RCO) acknowledged receipt of the Port's October 16, 2025 letter affirming co-sponsorship of Agreement No. 73-050. Staff will work with RCO to finalize signage updates and documentation requirements.
7. Staffing and Holiday Operations: Manager Weaver recommended that the Port formally close on designated winter holidays, including Veterans Day and New Year's Day, MLK & Presidents days which would be consistent with the labor agreement. Notices were to be published on the Port's website and social media and shared with tenants. Commissioners concurred with this recommendation.
8. Reservation and Operations Software: The Port is evaluating multiple software platforms to replace its existing reservation system. The new solution will support online reservations, digital work orders, and tablet-based reporting. Implementation is targeted for Q1 2026 with a two-year phased rollout within existing budget

PORT OF POULSBORO REGULAR MEETING
NOVEMBER 6, 2025
7:00 PM

reallocations. The goal is to streamline operations, reduce phone call volume, and improve data management.

9. Public Records and Digitization: Manager Weaver emphasized the continued transition from paper to digital recordkeeping to expedite public records responses and administrative efficiency.
10. Anchoring Demonstration: Marina tenants will host a anchoring training session in the Multi-Purpose Float room. The demonstration will occur on Saturday, November 8, coordinated by winter moorage boater Josh.

Commissioners thanked Manager Weaver for the report and commended staff for their work in community outreach, compliance, and modernization initiatives.

Commissioners expressed appreciation for the Port's outreach and visibility efforts.

Public Comments & Requests for Future Agenda Items

No additional comments were received. Commissioners encouraged ongoing feedback on digital service improvements and winter operations.


Commissioner Comments

Commissioners expressed appreciation to staff for the Port's strong compliance record and public engagement efforts. Commissioner Pfeil highlighted the importance of completing the software transition in alignment with the 2026 budget cycle.

Adjourn There being no further business, the meeting adjourned at 7:46 PM.



Jay Lawrence, Commissioner & Chair



Jamie Green, Commissioner



Jeff Pfeil, Commissioner

Cassidy Conners, Recording Secretary

PORT OF POULSBO

PAYMENT VOUCHER

18809 Front St NE Box 1
Poulsbo, WA 98370

Kitsap County, WA

November 10, 2025

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of

\$12,816.30

and from the General Fund, this

10th

day of

November 2025

Signed by:



Jeff Pfeil, Commissioner

Signed by:



Jamie Green, Commissioner

Signed by:



Jay Lawrence, Commissioner

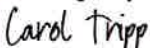
ATTEST:

Cassidy Conners, Recording Secretary

Voucher #	Claimant	Amount
EFT 11/10/25	WA Teamsters Welfare Trust	\$12,816.30
TOTAL		\$12,816.30

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

DocuSigned by:



Port Auditor

~~~ EFT ~~~

# PORT OF POULSBO

PAYMENT VOUCHER

18809 Front St NE Box 1

Poulsbo, WA 98370

Kitsap County, WA

November 21, 2025

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington

do hereby certify that the merchandise or services hereinafter specified have been received and

that the vouchers listed below are approved for payment in the amount of

\$14,365.18

and from the General Fund, this

21st

day of

November 2025

Signed by:

*Jeff Peil*

Jeff Peil, Commissioner

Signed by:

*Commissioner Jamie Green*

Jamie Green, Commissioner

Signed by:

*Jay Lawrence*

Jay Lawrence, Commissioner

| Voucher # | Claimant                        | Amount       |
|-----------|---------------------------------|--------------|
| P14459    | Sean Bauman                     | 1,667.54     |
| P14460    | James Weaver                    | 4,378.26     |
| P14461    | Nicole Wohnoutka                | 1,355.45     |
| P14462    | Nicholas Mandeville             | 1,331.60     |
| P14463    | Yordon Henry                    | 1,175.58     |
| P14464    | Kelli Hodges                    | 2,025.28     |
| P14465    | VOID                            | -            |
| P14466    | Carol Tripp                     | 2,417.87     |
| P14467    | VOID                            | -            |
|           | Direct Deposit Transaction Fees | 13.60        |
| TOTAL     |                                 | \$ 14,365.18 |

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

DocuSigned by:

*Carol Tripp*

Port Auditor

~~~DIRECT DEPOSIT ADVICES~~~

PORT OF POULSBO

PAYMENT VOUCHER

18809 Front St NE Box 1
Poulsbo, WA 98370

Kitsap County, WA

November 25, 2025

We, the undersigned Board of Commissioners of the Port of Poulsbo, Kitsap County, Washington do hereby certify that the merchandise or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of

\$5,774.54and from the General Fund, this 25th day of November 2025.

Signed by:



Jeff Pfeil, Commissioner

Signed by:



Jamie Green, Commissioner

Signed by:



Jay Lawrence, Commissioner

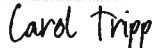
ATTEST:

Cassidy Conners, Recording Secretary

| Voucher # | Claimant | Amount |
|--------------|--------------------------|------------|
| EFT 11/25/25 | WA State Dept of Revenue | \$5,774.54 |
| TOTAL | | \$5,774.54 |

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, the labor performed, or the expense incurred as described herein and that the claim is a just, due and unpaid obligation against the Port of Poulsbo and that I am authorized to authenticate and certify to said claim.

DocuSigned by:



Port Auditor

~~~ EFT ~~~

## Accounting Report – November 20, 2025

### Accounting Report –

The Summary of Financial Statements for the month ending October 31, 2025 is attached to this report.

For the month of October, there was a net gain of \$155,981.22. There were no payouts for capital improvements made during the month. Our year-to-date net gain is \$737,321.04.

The large net gain for the month of October is due to Personal Property and Real Estate Taxes received during the month in the amount of \$129,510.94. As reminder, our bond payments are due at the end of this month in the amount of \$173,337.78.

Our gas sales for the month of October have increased and we now are 16.356% over the previous year. Unfortunately, diesel sales are still lagging behind the previous year and are down by 9.474%. (see attached)

As of October 31, 2025 guest moorage boat nights are up by 1.68% from the previous year. Four-hour stays have increased by 33.04% over the previous year and reservations have increased 91.22% (see attached). As a reminder, from September 2024 through January 2025, E' and 'F' docks were closed as well as the fuel dock and comparisons for the remainder of this year will show increases over the previous year due to the closure.

A draft of the Port's Procurement and Public Works Policy was emailed to the Commission on 11/19/2025 and to the Port Manager on 10/28/2025 @ 2:12pm. There weren't any substantial changes to the policy, and it has been vetted by legal. There were a few areas of the policy that required further clarification and/or updates to align with State law. The list below highlights changes to the policy:

- Section IA – 'Delegation of Authority' (clarification) page 4
- Section IE – 'Emergency Purchases' (clarification) page 5
- Section IG – 'Bid Splitting' (new section for clarification) page 5
- Section II3 – 'Small Works Roster' (updated with new State law) page 7
- Section II4 – 'Direct Award for Projects Less Than \$40,000' (clarification) page 7
- Section II6 – 'No Responsive Bids' (new section for clarification) page 8
- Section IV – 'Professional Services' (clarification) pages 11/12
- Section VIII – 'Conflicts of Interest' (updated with new State law) page 19

The Procurement and Public Works Policy Resolution 2025-17 will be on the consent agenda for the December 4, 2025 Commission meeting.



Respectfully Submitted,

Carol Tripp, Port Accountant

**Attachments:**

1. Summary of Financial Statements – 10/31/2025
2. Fuel Sold by Volume
3. Boat Nights Breakdown
4. Draft Resolution 2025-17 to adopt Port's Procurement and Public Works Policy  
(Procurement Policy attached to resolution)

**Port of Poulsbo  
Summary of Financial Statements  
For the Ten Months Ending October 31, 2025**

**ASSETS, LIABILITIES, EQUITY**

|                          |                         |
|--------------------------|-------------------------|
| Cost of Capital Assets   | \$ 13,709,742.78        |
| Current Assets           | 1,209,756.85            |
| <b>TOTAL ASSETS</b>      | <b>\$ 14,919,499.63</b> |
| Current Liabilities      | \$ -                    |
| Long-Term Liabilities    | 4,688,279.32            |
| <b>TOTAL LIABILITIES</b> | <b>\$ 4,688,279.32</b>  |
| <b>TOTAL EQUITY</b>      | <b>\$ 10,231,220.31</b> |

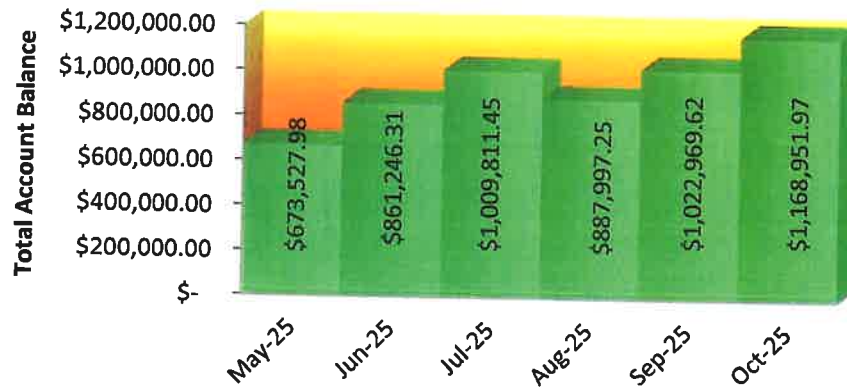
|                              | <b>October</b>       | <b>Year To<br/>Date</b> |
|------------------------------|----------------------|-------------------------|
| <b>INCOME &amp; EXPENSES</b> |                      |                         |
| Gross Profit                 | 288,544.74           | 2,022,735.16            |
| Operating Expenses           | 132,563.52           | 1,285,414.12            |
| <b>NET GAIN/LOSS</b>         | <b>\$ 155,981.22</b> | <b>737,321.04</b>       |

|                             |      |           |
|-----------------------------|------|-----------|
| <b>CAPITAL IMPROVEMENTS</b> | \$ - | 55,524.40 |
|-----------------------------|------|-----------|

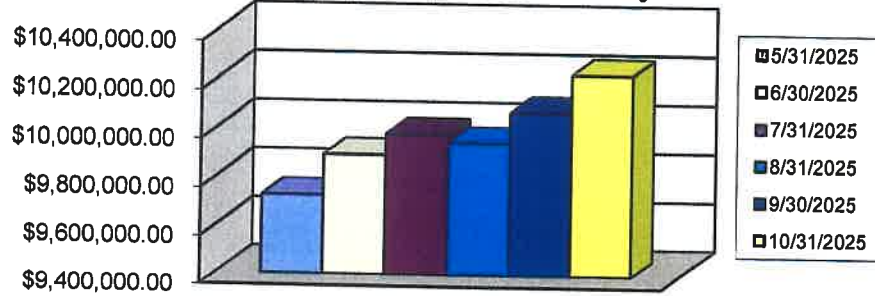
|                                                     |                        |
|-----------------------------------------------------|------------------------|
| Balances of Assets Accts<br>October 31, 2025        |                        |
| General Fund                                        | \$ 208,623.49          |
| General Investment Fund                             | 664,012.95             |
| Liberty Park Fund                                   | 16,682.11              |
| Park Investment Fund                                | 10,539.41              |
| Remaining Fund Balances<br>and other current assets | 309,898.89             |
|                                                     | <b>\$ 1,209,756.85</b> |

**CAPITAL ASSETS ARE BASED ON HISTORICAL COSTS AND DO NOT REPRESENT THE CURRENT FAIR MARKET  
VALUE OR REPLACEMENT COST.**

## Change in Cash Accounts



## Equity Comparison - Monthly



**CAPITAL ASSETS ARE BASED ON HISTORICAL COSTS AND DO NOT REPRESENT THE CURRENT FAIR MARKET VALUE OR REPLACEMENT COST.**

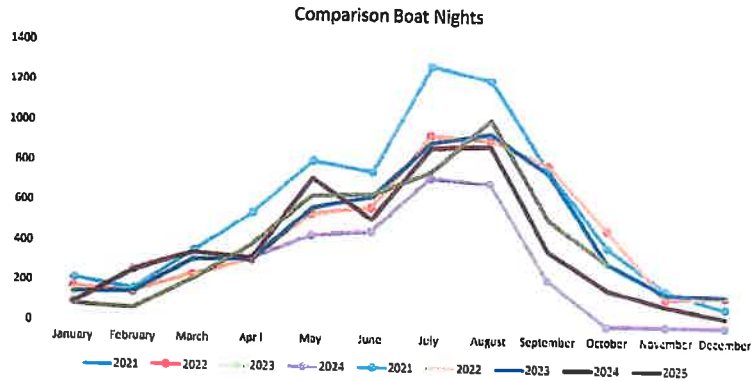
**Port of Poulabo  
Breakdown of Boat Nights**

Includes both BW and E/F Docks (starting May 2024)

|      | January | February | March | April | May | June | July | August | September | October | November | December | Totals |
|------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|--------|
| 2021 | 215     | 184      | 363   | 555   | 818 | 763  | 1295 | 1223   | 773       | 398     | 183      | 97       | 6845   |
| 2022 | 169     | 147      | 238   | 315   | 549 | 579  | 946  | 927    | 805       | 481     | 138      | 153      | 5447   |
| 2023 | 145     | 152      | 317   | 320   | 579 | 839  | 913  | 959    | 766       | 318     | 166      | 162      | 5438   |
| 2024 | 95      | 259      | 353   | 325   | 443 | 466  | 736  | 711    | 232       | 0       | 0        | 0        | 3820   |
| 2021 | 215     | 184      | 363   | 555   | 818 | 763  | 1295 | 1223   | 773       | 398     | 183      | 97       | 6845   |
| 2022 | 169     | 147      | 238   | 315   | 549 | 579  | 946  | 927    | 805       | 481     | 138      | 153      | 5447   |
| 2023 | 145     | 152      | 317   | 320   | 579 | 839  | 913  | 959    | 766       | 318     | 166      | 162      | 5438   |
| 2024 | 95      | 259      | 353   | 325   | 729 | 527  | 887  | 888    | 378       | 186     | 104      | 48       | 4790   |
| 2025 | 84      | 67       | 220   | 357   | 642 | 652  | 767  | 1030   | 536       | 321     |          |          | 4715   |

1- E/F Docks closed due to construction

|              | 2024 | 2025 | % Inc/Dec         |
|--------------|------|------|-------------------|
| Boat Nights  | 4637 | 4715 | 1.68%             |
| 4 Hr Stay    | 1031 | 1372 | 33.07% See note 1 |
| Reservations | 706  | 1350 | 91.22% See note 1 |



## Fuel Sold by Volume

|                | 2025             |                   | 2024             |                   | 2023             |                   |
|----------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|                | Gas              | Diesel            | Gas              | Diesel            | Gas              | Diesel            |
| January        | -                | -                 | 910.79           | 9,129.14          | 595.80           | 4,680.19          |
| February       | 424.22           | 2,606.89          | 1,724.86         | 10,216.08         | 542.01           | 4,673.75          |
| March          | 1,263.80         | 7,312.67          | 2,039.25         | 14,837.59         | 1,550.61         | 7,230.49          |
| April          | 2,033.11         | 11,512.80         | 1,744.90         | 15,942.77         | 1,402.15         | 4,678.67          |
| May            | 2,822.64         | 15,301.37         | 2,849.23         | 18,763.52         | 4,941.53         | 16,826.84         |
| June           | 6,579.02         | 24,161.57         | 6,124.23         | 19,925.20         | 5,508.36         | 23,556.51         |
| July           | 13,059.50        | 23,583.95         | 12,505.57        | 29,505.89         | 11,926.87        | 37,688.00         |
| August         | 11,460.39        | 20,669.14         | 9,238.24         | 22,725.28         | 14,349.24        | 23,725.04         |
| September      | 8,279.71         | 19,184.50         | 4,318.82         | 8,311.78          | 9,128.16         | 17,254.62         |
| October        | 2,313.97         | 10,874.70         | -                | -                 | 3,707.32         | 9,647.60          |
| November       | -                | -                 | -                | -                 | 1,367.96         | 5,037.84          |
| December       | -                | -                 | -                | -                 | 511.71           | 3,248.91          |
| <b>Totals</b>  | <b>48,236.36</b> | <b>135,207.59</b> | <b>41,455.89</b> | <b>149,357.25</b> | <b>55,531.72</b> | <b>158,248.46</b> |
| As of 10/31/25 | 2024             | 2025              | % Inc/Dec        |                   |                  |                   |
| Gas            | 41,455.89        | 48,236.36         | 16.356%          |                   |                  |                   |
| Diesel         | 149,357.25       | 135,207.59        | -9.474%          |                   |                  |                   |

**PORT OF POULSBO  
RESOLUTION NO. 2025-17**

**A RESOLUTION OF THE PORT OF POULSBO ADOPTING  
A PROCUREMENT AND PUBLIC WORKS POLICY**

**WHEREAS**, Washington State law, including the provisions of Chapter 53.08 RCW, authorizes the Commission of the Port of Poulsbo (the "Port") to adopt policies related to procurement and public works that are consistent with State laws and regulations;

**WHEREAS**, the Port has in the past adopted purchasing policies and procedures for the proper and expeditious operation of the Port and did so most recently on September 1, 2022;

**WHEREAS**, the Commission has, from time to time, found it necessary to amend such policies and procedures due to changes in law and/or operations of the Port;

**WHEREAS**, the Commission now wishes to adopt the policy set forth in the document entitled "Procurement and Public Works Policy" which is attached as **Exhibit A**, which includes, among other changes, updates and amendments to its small works process to align with legislative changes;

**WHEREAS**, the Port wishes to utilize the statewide small works roster developed by the Municipal Research and Services Center ("MRSC") pursuant to RCW 39.04.151 as its designated small works roster; and

**WHEREAS**, the Port finds this Resolution to be in the best interests of its constituents and is authorized by law.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Board of Commissioners of the Port of Poulsbo as follows:

1. The Board hereby adopts the "Procurement and Public Works Policy" attached to this Resolution as **Exhibit A**, for the regulation of the Port's affairs and the conduct of its business.

2. This Resolution supersedes any prior Port policy concerning the matters specifically set forth in **Exhibit A**.

3. As further specified in the Procurement and Public Works Policy, the City hereby designates the statewide small works roster developed by MRSC as its small works roster for purposes of purchasing and procurement of public works that are within the applicable thresholds established by law and the adopted policy.

5. This Resolution shall be in full force and effect immediately from and after its adoption as provided by law.

**ADOPTED BY** the Board of Commissioners of the Port of Poulsbo at the regular public meeting thereof, held on this 20th day of November, 2025, by motion, seconded and passed, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof.

\_\_\_\_\_  
JEFF PFEIL, COMMISSIONER

\_\_\_\_\_  
JAMIE GREEN, COMMISSIONER

\_\_\_\_\_  
JASON LAWRENCE, COMMISSIONER

## EXHIBIT A



## PROCUREMENT AND PUBLIC WORKS POLICY

PORT OF POULSBO

Draft: May 2022

Commission Adoption: September 1, 2022

Policy Review: September 1, 2024

Revised: November 6, 2025

Commission Adoption: xxxxx

Policy Review: xxxxxx

Contents:

- I. General Guidelines
- II. Public Works
- III. Purchases of Equipment and Materials
- IV. Professional Services (Architect/Engineer)
- V. Purchased Services
- VI. Personal Services
- VII. Federally Funded Projects – Special Provisions
- VIII. Conflicts of Interest

**I. GENERAL GUIDELINES**

**A. Delegation of Authority**

The Port of Poulsbo (the “Port”) delegates certain authority to its Port Manager and Port Accountant by way of resolutions (“Delegation of Authority”) that contain policy directives, including limitations on dollar amounts for contracts entered into without Port Commission (the “Commission”) preapproval. The portions of the Delegation of Authority related to procurement and public works are hereby incorporated by reference.

Unless this policy document or the Delegation of Authority delegates purchasing authority to the Port Accountant, the Port Manager shall be the designated purchasing representative with policy and operational level oversight of implementation of this policy. The Port Manager may, at his or her discretion, designate an alternate purchasing representative (“Designee” or “Purchasing Representative”). This designation must be in writing. The designation can be for a limited time frame or can be for an unlimited time frame. The Port Manager retains ultimate responsibility for compliance with this policy.

The Purchasing Representative is responsible for:

- Compliance with applicable law and Port policy regarding purchasing and public works;
- Training Port staff on the use of this policy and ensuring compliance with same;
- Functioning as the primary point of contact for all purchases;
- Identifying the appropriate acquisition method;
- Soliciting bids, requests for proposals, and requests for quotes from vendors;
- Evaluating and awarding bids or recommending award to the Commission as appropriate;
- Initiating, approving, or signing purchase orders on behalf of the Port; and
- Administering purchase orders/contracts from award to completion.

Unless authority is granted to the Port Manager or Port Accountant in this policy or in the Delegation of Authority, the Commission must approve the award of any specific contract.

**B. Local Preference**

All things being equal in terms of cost, delivery, and vendor support, preference will be given to vendors and/or service providers operating within the Port district. Consideration should be given to American-made products.



**C. Conflicts of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual, potential, or perceived conflicts of interest. See Sections VII and VIII.

**D. Availability of Funds**

The Purchasing Representative shall ensure that purchases are initiated only where budgeted funds within a particular account are sufficient to cover the anticipated cost. This applies to both operating budget line items and capital budget accounts.

If it is anticipated that project budget may be insufficient for a specific purchase, the Purchasing Representative should review available options for completing the funding first, including with the Port Accountant as appropriate.

**E. Emergency Purchases**

Pursuant to RCW 39.04.020 and RCW 39.04.280 (as amended), when an emergency shall require the immediate acquisition of materials, equipment, supplies services, or public works, the Port Manager and Port Accountant each are authorized as designees under RCW 39.04.280(2)(b) to make a written finding of the existence of such emergency and execute any contract for the acquisition of materials, equipment, supplies, services, or public works necessary to respond to the existing emergency, provided that the Port Manager/Port Accountant must, at the first Commission meeting following such declared finding of emergency, request Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to this authority. An "emergency" means unforeseen circumstances beyond the Port's control that either (i) present a real, immediate threat to the proper performance of essential functions; or (ii) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. The Port Manager or Port Accountant shall timely notify the Commission of the emergency and any contract executed pursuant to this authority. Emergency contracts executed pursuant to the authority herein shall contain a clause, if practicable, which states that the contract is subject to ratification by the Commission Board and that if ratification does not follow, the contract shall be subject to immediate termination, and the Contractor shall be compensated for the materials, services, or work provided up to the date of termination.

**F. Use of Environmentally Preferable Products**

The Port shall, to the extent that it is economically feasible, purchase products made from environmentally preferable materials if such products are reasonably available, are of acceptable quality, and are generally priced the same as similar products not made from environmentally preferable materials. The determination of these types of materials shall be generally consistent with the United States Environmental Protection Agency guidelines for Environmentally Preferable Purchasing.

**G. No Bid Splitting**

Splitting or segmenting orders or projects for the purpose of avoiding competitive requirements is prohibited. The Port Manager should carefully review repetitive low dollar purchases for the same or similar commodities or services. Sometimes the annual amount spent on such purchases is substantial and could be perceived as order splitting or segmenting inappropriately.

## II. PUBLIC WORKS

### A. Public Works Contracts and Ordinary Maintenance Contracts Defined

**Definition of a Public Work.** A public work, per RCW 39.04.010(4), means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the Port. Public works must follow guidelines as outlined in the general rules for public works found at Chapter 39.04 RCW and specific rules for port districts found at RCW 53.08.120. The definition of "public work" excludes "ordinary maintenance".

**Definition of Ordinary Maintenance.** The term "ordinary maintenance" is generally held to be reoccurring normal maintenance performed on a regularly scheduled basis (e.g., daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year), to service, check, or replace parts on items that are not broken or work that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary. Examples include janitorial services and building/grounds maintenance services. Although a contract for ordinary maintenance does not require a public work procurement process, it does require the payment of prevailing wages. See Section II.E.

### B. Public Works Contract Requirements and Methods

**Five Essential Requirements for Public Works Contracts.** All public works require that:

1. The contractor selection method must comply with one of the allowed methods under Washington law. The various selection methods are discussed below.
2. The Port should withhold up to five percent (5%) of each payment to the contractor (unless otherwise allowed by statute) until the end of the project. This is the "retainage" and is explained in more detail in the *Retainage* section below (See Chapter 60.28 RCW).
3. The selected contractor must provide a performance bond or other surety. This requirement is explained in more detail in the *Performance Bond* section below (See Chapter 39.08 RCW).
4. The selected contractor must pay its employees, at a minimum, the "Prevailing Wage" established pursuant law. This requirement is explained in more detail in the *Prevailing Wage* section below (See Chapter 39.12 RCW).
5. The Port requires all contractors, prior to the award of a public works contract of any size and regardless of procurement method, to verify compliance with the mandatory bidder responsibility requirements established in RCW 39.04.350 using forms provided by the Port.

**Methods for Selecting a Contractor for Public Works.** Washington law provides port districts with several procedures to select a contractor to undertake a public work.

1. **Published bid and award to lowest responsive and responsible bidder on a set of plans and specifications created by the Port.** This method provides for a bid process on a set of plans and specifications. These contracts must be awarded after published bid, are generally awarded to lowest responsive and responsible bidder, and may include the use of supplemental bidder responsibility criteria (See RCW 53.08.120 and RCW 39.04.350).

2. **Published bid and award to the "best bidder" submitting their own plans and specifications.** In this method, the Port specifies the desired performance and then selects the

best bid. (For example, the Port could seek the erection of a building of a certain size, and each bidder could propose plans for the building.) The lowest price is not necessarily determinative (See RCW 53.08.120).

**3. Small Works Roster.** For projects estimated to cost up to Three Hundred and Fifty Thousand Dollars (\$350,000.00) excluding sales tax, the Port may utilize the small works roster. The Port hereby adopts the statewide small works roster developed by the Municipal Research and Services Center of Washington ("MRSC") pursuant to RCW 39.04.151. Note: the Port retains the ability to use the small works roster as a resource to solicit quotes for lower cost and certain types of projects without following these specific small works procedures when authorized by state law. When following the statutory procedures, the Port will follow a bid invitation process or a direct contracting process, depending on the price of the project and feasibility (See RCW 39.04.152).

- Bid Invitation Process. The Port will invite bids notifying all contractors on the applicable roster that have indicated interest in performing work in the applicable geographical area (See RCW 39.04.152(4)(a)(ii)). Whenever possible, the Port will invite at least one proposal from a qualified minority contractor (See RCW 53.08.120(2)(b)(iii)). When awarding a contract under this process the Port shall give weight to the contractor submitting the lowest and best proposal, and whenever consistent with public interest, such contracts shall be distributed equally among all contractors on the small works roster including minority contractors. After an award is made, the bid quotations obtained shall be recorded, publicly available, and available by request.
- Publication of List. Annually, the Port will publish a list of small works contracts awarded during the year reported. The list shall contain the name of the contractor awarded the contract, the amount of the contract, a brief description of the type of work performed under the contract, and the date it was awarded. The list shall also state the location where the bid quotations for these contracts are available for public inspection.

**4. Direct Award for Projects Less Than \$40,000.** Port districts, unlike any other Washington governments, may award contracts for a total project less than Forty Thousand Dollars (\$40,000.00) to a selected contractor. The Port must utilize and document its "best effort to reach out to qualified contractors, including certified minority and woman-owned contractors." (See RCW 53.08.120). For projects less than Forty Thousand Dollars (\$40,000.00), but greater than Ten Thousand Dollars (\$10,000.00) the Port Manager should, at a minimum, obtain written quotes from at least three (3) qualified contractors. If the project is estimated to cost Ten Thousand Dollars (\$10,000.00) or less, the Port Manager may use a more informal process to select a contractor if such a process is determined to be in the best interest of the Port. When using an informal process, verbal quotes (preferably at least three (3) when available) shall be obtained prior to selection.

**5. Three-Year Unit Price Contracts.** Port districts may award a unit-priced contract for all material and labor to be delivered over a not-to-exceed three (3)-year period (for example all the painting needs of the Port for three [3] years based upon a unit price of materials and a unit cost of labor, for an indefinite quantity of work). These contracts can be extended for one (1) year. These contracts must be awarded to the lowest responsive and responsible bidder and may include the use of supplemental bidder responsibility criteria (See RCW 53.08.120 and RCW 39.04.350). Invitations for unit priced bids must include estimated quantities work and specify

how the port district will issue work orders based on the hourly rates or unit prices bid by the contractor. Contracts must be awarded to the lowest responsible bidder. Whenever possible, the port district must invite at least one (1) proposal from a qualified minority or woman contractor. Unit-priced contractors shall pay prevailing wage for all work that otherwise would be subject to the requirements of Chapter 39.12 RCW. Intents and affidavits for prevailing wage shall be submitted annually for all work completed within the previous twelve (12)-month period.

**6. No Responsive Bids.** If no responsive bids are received to a bid solicitation/invitation for a public works project, the Port may: (i) review the original bid, modify outreach efforts, readvertise and make second call for bids; or (ii) if the Commission determines competition is not feasible, the Port may directly contract with a contractor for the work or may perform the work using Port employees without any further call for bids. If a second call also does not receive a responsive bid, the Port may directly contract with a contractor or may perform the work using Port employees without any further call for bids.

**C. Retainage for Public Works Contracts**

The Port must reserve a contract retainage not to exceed five percent (5%) of the moneys earned by the contractor as a trust fund for the protection and payment of (i) claims of any person arising under the contract; and (ii) the state with respect to taxes, increases, and penalties which may be due from such contractor. There are alternatives and exceptions available to reduce retainage or waive retainage as follows:

- The amount of retainage can be reduced after the contractor completes a certain amount of work (See RCW 60.28.011(3)).
- The contractor may choose to use a retainage bond instead, covering any or all of the retainage amount, which the Port must accept unless it can demonstrate a good reason for refusal (See RCW 60.28.011(6)).
- The Port has the option of waiving retainage for small works roster contracts under Five Thousand Dollars (\$5,000.00) (See RCW 39.04.152(5)).
- For projects greater than Five Thousand Dollars (\$5,000.00), the Port also has an option to waive or reduce retainage but will then assume liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material-persons, and suppliers; and taxes, increases, and penalties applied under State law (See RCW 39.04.152(5)).

**D. Performance Bond for Public Works Contracts and Ordinary Maintenance Contracts**

All contractors that engage in a public works project or an ordinary maintenance contract must provide to the Port a "good and sufficient" bond to ensure (i) faithful performance all the provisions of the contract; (ii) payment of all workers, suppliers and subcontractors; and (iii) payment of all taxes and penalties. There are two exceptions to this requirement:

- For contracts of One Hundred Fifty Thousand Dollars (\$150,000.00) or less, a contractor may elect a ten percent (10%) retainage in lieu of a bond (See RCW 39.08.010(3)).
- The Port has the option of waiving the performance bond requirement for small works roster contracts under Five Thousand Dollars (\$5,000.00) (See RCW 39.04.152(5)).

**E. Prevailing Wage for Public Works Contracts and Ordinary Maintenance Contracts**

All contractors that engage in a public works project or an ordinary maintenance contract must pay Prevailing Wages. It is the responsibility of the contracting employee to notify the vendor of prevailing wage requirements and obtain compliance documentation prior to awarding any public works contract or ordinary maintenance contract (See RCW 39.12.030).

Public works contracts and ordinary maintenance contracts will only be awarded to contractors who document compliance with the Washington State Prevailing Wage Law. The Purchasing Representative is responsible for collecting compliance documents. Failure to follow prevailing wage laws will result in delayed or denied payment to the vendor. The Port cannot pay for public works projects or ordinary maintenance contracts that are in violation of prevailing wage laws. In the case of a project using federal funds where Davis-Bacon Act requirements are applicable, the higher of the state or federal prevailing wages will be used.

Any contractor performing any type of public work or ordinary maintenance for the Port must file prevailing wage forms (Intent to Pay Prevailing Wages and Affidavit of Wages Paid) with the Washington State Department of Labor and Industries ("L&I"), no matter what the cost of the service or work. This includes owner/operators and all subcontractors. A combined form can be used for projects under Two Thousand Five Hundred Dollars (\$2,500.00). Contractors must also file weekly certified payroll reports with L&I for all prevailing wage jobs. The Port is not responsible for reviewing or checking the reports (See RCW 39.12.040 and RCW 39.12.120).

**F. Ordinary Maintenance Contracts Requirements and Methods**

**Two Essential Requirements for Ordinary Maintenance Contracts.** All ordinary maintenance contracts must:

- Comply with the Port of Poulsbo's internal policies for selection of the contractor, typically the internal policies for purchased services which are provided below.
- Require that the selected contractor pay its employees, at a minimum, the "Prevailing Wage" established pursuant law. This requirement is explained in more detail in the *Prevailing Wage* section above (See Chapter 39.12 RCW).

**Methods for Selecting a Contractor for Ordinary Maintenance.** There is not a selection method required by state law, and retainage is not a requirement for ordinary maintenance contracts.

**G. Bid/Project Documents**

All acquisition, bid, quotation, and project file documents will be retained for a period of six (6) years.

**III. PURCHASES OF EQUIPMENT AND MATERIALS**

**A. General Principles**

**1. Authority.** The Port Manager or Port Accountant may purchase all equipment necessary for Port functions, except that:

- Purchases of equipment involving a purchase price of more than Five Thousand Dollars (\$5,000.00) require Commission approval.



- Purchases on the open market may be made only after having obtained quotes from a representative number of suppliers. All quotes solicited shall be kept on file for at least three (3) years.

The Port Manager may procure, and sign contracts for the purchase of, all supplies and materials necessary for Port operations, except that:

- Materials which are to be incorporated in construction projects may only be obtained in accordance with the procedures established in the above Section for Public Works, unless a separate purchase is justified by a Port business reason and not for the purpose of avoiding competitive requirements.
- Annual supply contracts in excess of Five Thousand Dollars (\$5,000.00) shall first be submitted to the Commission for its approval.
- Purchases on the open market may be made only after having obtained quotes from a representative number of suppliers. All quotes shall be kept on file for at least three (3) years.

## **B. Purchasing Methods**

**1. Quotes for Purchased Materials, Equipment, and Supplies.** Though written quotes are encouraged, verbal quotes (preferably at least three [3] when available) shall be obtained for all purchases of materials, equipment, and supplies of less than Ten Thousand Dollars (\$10,000.00). Written quotes (preferably at least three [3] when available) shall be obtained for all purchases of materials, equipment, and supplies greater than Ten Thousand Dollars (\$10,000.00) but less than Twenty Thousand Dollars (\$20,000.00). All purchases greater than Ten Thousand Dollars (\$10,000.00) but less than Twenty Thousand Dollars (\$20,000.00) shall be pre-approved by the Port Manager, or his/her designee, before funds are committed.

**2. Purchase Orders.** The Purchase Order is the vendor's authorization to ship and/or deliver materials, or goods.

The acquisition of any goods, materials, or services must be accompanied by a Purchase Order or other written and duly authorized contract/agreement before the goods or materials are ordered.

With respect to the purchase of goods, and materials, the Purchase Order approved by the appropriate authorizing party and accepted by the vendor shall constitute the written contract, except where special terms or conditions necessitate the use of a more formalized contractual agreement.

Requests for a Purchase Order book can be made through the Port Accountant. Completed Purchase Order books should be returned to the Port Accountant for numeric control and archiving.

Invoices for services provided by a contract, other than a purchase order, should be reviewed and approved by the Port Manager. Invoices for materials, goods and services purchased by purchase order should be mailed directly to Accounts Payable by the vendor. When invoices are received in Accounts Payable and they match the purchase order, they are processed for payment in Accounts Payable.

**3. Open Purchase Orders.** Open Purchase Orders are intended to facilitate day-to-day administrative operations and expedite purchases by eliminating the need for a separate Purchase Order for each purchase and may only be issued to vendors providing frequently used goods or services.

Open Purchase Orders may be issued to vendors used on a regular basis providing maintenance service to Port buildings and equipment under the amount of Seventy-Five Dollars (\$75.00). These services are solicited through an annual Purchase Order for services such as elevator and copier, courier services, laundry supply, satellite, security and fire alarm monitoring, rentals and other miscellaneous services required on an ongoing basis.

Pre-approval is required to use an Open Purchase Order and individual purchasing authority is established and approved by the Port Manager or the Port Accountant.

**4. Receipt of Goods.** All employees may sign for receipt of goods via a packing/shipping slip or invoice. The authorizing employee is responsible for inspection of deliveries. All receiving documents require co-signature of the Port Manager or Port Accountant prior to payment. Purchased items will be tested as deemed necessary to determine their conformance with contracts and/or specifications. All Material Safety Data Sheets should be properly filed with the Port Manager who shall be responsible for appropriate dissemination and for filing within Port files.

The Port does not currently use a signed and dated receiving document; it relies on approval of purchase orders to ensure that the goods or services were received prior to payment. However, when a receiving document is presented with delivery, the receiving document should be used as evidence of receipt of goods and attached to the copy of the purchase order submitted to Accounts Payable. The employee authorizing payment of the purchase order should review the receiving document against the purchase order prior to signing the purchase order. State statutes require that goods or services be received before payment is made.

**5. Unauthorized Purchases.** The Port of Poulsbo shall not be obligated to pay any vendor for any purchase unless a properly authorized Purchase Order or contractual agreement has been issued.

A Purchase Order, Contract, Professional or Personal Service Agreement is the Port's legal offer to buy specific goods and/or services. Without one of these documents, the Port has no legal obligation to pay the vendor, contractor, or consultant and the individual making the purchase may be held personally responsible for payment of the goods and/or services.

**6. Sole Source Service Suppliers.** "Sole source" means a procurement in which only one supplier/contractor is capable of supplying the required product or service.

Purchases from a "sole source" supplier in lieu of a bid process must be approved by the Port Manager in advance of entering into a purchase commitment and be accompanied by a written explanation that adequately addresses the need for negotiating with a sole source supplier.

Solicitation from sole source suppliers should be the exception to the rule and kept at a minimum.

#### **IV. PROFESSIONAL SERVICES (ARCHITECT/ENGINEER)**

For acquisition of professional services, the process involves a request for qualification (RFQ) as

required in Chapter 39.80 RCW. "Professional services" includes Architects (RCW 18.08), Engineers and Land Surveyors (RCW 18.43), and Landscape Architects (RCW 18.96). These services do not have a specified dollar threshold and are not subject to prevailing wage requirements.

- The Port shall publish in advance the Port's requirements for professional services. This announcement shall state concisely the general scope and nature of the project or work for which the services are required, and the contact information of a Port representative who can provide further details. The Port may satisfy this requirement by:
  - Publishing an announcement on each occasion when professional services are required, or
  - Announcing generally to the public its projected requirements for any category or type of professional services (See RCW 39.80.030).

Additionally, the Port will encourage professional service firms to submit annually a statement of qualifications and performance data to the Port. (See RCW 39.80.040).

- Prior to entering into a professional services contract or extending such a contract, the Port shall evaluate current statements of qualifications and performance data on file, together with those that may be submitted by other firms regarding a proposed project, and shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select, based upon established criteria, the firm deemed to be the most highly qualified to provide the required services for the proposed projects. (See RCW 39.80.040). The selection process and basis for selection will be documented.
- The Port practices, procedures and guidelines shall include a plan to ensure that minority and women-owned firms and veteran-owned firms are afforded the maximum practicable opportunity to compete for and obtain public contracts for services. The level of participation by minority and women-owned firms and veteran-owned firms shall be consistent with their general availability within the professional communities involved (See RCW 39.80.040).
- The Port shall negotiate a contract with the most qualified firm for an architectural and engineering service at a price which the Port determines is fair and reasonable. In making this determination, the Port shall take into account the estimated value of services, as well as the scope, complexity, and professional nature of the services being performed (See RCW 39.80.050(1)).
- If the Port is unable to negotiate a satisfactory contract with the firm selected, at a price the Port determines to be fair and reasonable, negotiations with that firm shall be formally terminated and the Port shall select other firms in accordance with RCW 39.80.040 and continue this process until an agreement is reached or the process is terminated (See RCW 39.80.050(2)).

## **V. PURCHASED SERVICES**

### **A. Definition of Purchased Services**

Purchased services are those provided by vendors for routine, necessary and continuing functions of a local agency, mostly relating to physical activities. These services are usually



repetitive, routine, or mechanical in nature, support day-to-day operations, involve the completion of specific tasks or projects, and involve minimal decision making.

**B. Service Category Solicitation Procedures**

State law does not contain any thresholds or processes for purchased services contracts unless the contract requires prevailing wage. Nevertheless, the Port will follow the processes noted herein.

Solicitation for purchased services can – and should – request prices.

Purchased services considerations:

- Cost or price
- Quality of previous performance
- Ability to meet deadlines for contract performance
- Responsiveness to solicitation requirements
- Demonstrated compliance with employment security and sales tax requirements (all as applicable)
- Ability, experience, and reputation
- References
- Staff readily available for the project
- Financial capacity
- Meeting applicable licensing requirements
- Safety record
- Ability to meet necessary response times for unscheduled work and emergencies

**C. Dollar Thresholds for Competitive Process**

**1. \$0 - \$4,999.99**

**Minimal Competitive Process**

- Seeking competition is always recommended, though not required for this dollar range.
- Telephone calls can be made to vendors describing the services desired and requested price, schedule, and qualifications to perform.
- Purchases should be made based on the Port's inquiries, experience, and knowledge of the market to obtain the best quality product at the best price.
- Document process.

**2. \$5,000.00 - \$19,999.99**

**Informal Competition Process**

- Select a minimum of three (3) qualified firms based on established criteria from those who have qualifications on file with the MRSC (Municipal Research and Service Center) Rosters ([www.mrscrosters.org](http://www.mrscrosters.org)).
- OR seek bids from a minimum of three (3) vendors. The written solicitation may be emailed to them, and responses may be emailed back to expedite processing. A list of vendors can be developed from telephone listings, internet listings, a published legal notice requesting information on available services, etc.

- Written solicitation should include at a minimum: description of services required, project schedule, request for qualifications, request for bid and due date for the responses.
- Evaluate responses and make award decision.
- Negotiate contract with most successful bidder.
- Document process for file.

### 3. **\$20,000.00 and beyond**

#### Formal Competitive Process

- Prepare formal solicitation document. The Invitation to Bid ("Invitation") is the solicitation document most frequently used by agencies to contract for purchased services. The Invitation identifies the functional performance threshold at which the Port needs would be met, serves as the basis for the applicants to respond, and also provides the foundation for the eventual contract. Include all requirements in order for bidders to understand what the Port needs and how the Port will evaluate responses.
- Publish legal notice in major daily newspapers to notify firms of upcoming solicitation. Develop bidder's list from firms responding to notice.
- Post solicitation document on the Port's website (optional).
- Develop score sheets to be used by evaluators.
- Issue Invitation to responding bidders.
- Conduct a pre-proposal conference to clarify the extent of the work and permit prospective bidders to ask questions via addenda.
- Require sealed bids and public bid opening. Date and time stamp all proposals received.
- Evaluate proposals strictly against criteria set forth in the Invitation and score sheets. Use three (3) evaluators (recommended) for scoring and score proposals using score sheets. Determine apparent successful bidder.
- Notify successful and unsuccessful firms.
- Negotiate contract with most successful contractor.
- Conduct debriefing conferences with unsuccessful firms, if requested.

## VI. **PERSONAL SERVICES**

### A. **Definitions**

"Personal service" means professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement which may not reasonably be required in connection with a public works project meeting the definition in RCW 39.04.010(4). "Personal service" does not include purchased services as defined under subsection (8) of the personal service definitions or professional services procured using the competitive selection requirements in Chapter 39.80 RCW (See RCW 53.19.010(6)).

### **Sample List**

The following list provides samples of some of the types of consultant services that may be considered as Personal Services under the statute (this list is not all-inclusive).

- Accounting services
- Aerial mapping (if not related to a public works project)

- Analysis and assessment of processes, programs, fiscal impact, compliance, systems, etc.
- Appraisal services
- Certification service
- Economic analysis and consultation
- Environmental planning, technology, studies (except when part of a public works project)
- Executive recruitment
- Financial services
- Feasibility study services (if not related to public works project)
- Foreign trade representative services
- Grant writing
- Graphic design services
- Inventory services
- Lobbying services
- Labor negotiations and labor relations services
- Management consulting marketing services to include identifying market opportunities, conduct marketing programs, planning, promotion, market research surveys, etc.
- Medical and psychological services
- Organization development
- Public relations services
- Promotional services
- Strategic planning
- Training

## **B. Requirements**

All personal service contracts shall be awarded pursuant to competitive solicitation, except for:

**1. Emergency contracts.** Emergency contracts shall be filed with the Commission and made available for public inspection within seven (7) working days following the commencement of work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the Commission when the contract is filed (See RCW 53.19.020(1) and RCW 53.19.030).

**2. Sole source contracts.** Sole source contracts shall be filed with the Commission and made available for public inspection prior to the proposed starting date of the contract. Documented justification for sole source contracts shall be provided to the Commission when the contract is filed. For sole source contracts of Fifty Thousand Dollars (\$50,000.00) or more, documented justification shall include evidence that the Port attempted to identify potential consultants. The Commission shall ensure that the costs, fees, or rates negotiated in filed sole source contracts of Fifty Thousand Dollars (\$50,000.00) or more are reasonable (See RCW 53.19.020(2) and RCW 53.19.040).

**3. Contract amendments.** The following requirements apply:

a. Substantial changes in the scope of work specified in the contract or which are substantial additions to the scope of work specified in the formal solicitation document shall be

submitted to the Commission for a determination as to whether the change warrants the work to be awarded as a new contract.

b. An amendment or amendments to personal service contracts, if the value of the amendment or amendments, whether singly or cumulatively, exceeds fifty percent (50%) of the value of the original contract, must be filed with the Commission and made available for public inspection prior to the proposed starting date of services under the amendments (See RCW 53.19.020(3) and RCW 53.19.060).

4. **Contracts between a consultant and a Port of less than Fifty Thousand Dollars (\$50,000.00).** However, contracts of Fifty Thousand Dollars (\$50,000.00) or greater but less than Two Hundred Thousand Dollars (\$200,000.00) shall have documented evidence of competition. The Port will not structure contracts to evade these requirements (See RCW 53.19.020(4)).

5. **Other Exemptions.** Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the Commission when it has been determined that a competitive solicitation process is not appropriate or cost-effective (See RCW 53.19.020(5)).

C. **Competitive Solicitation**

The following are competitive solicitation requirements:

1. **\$0 - \$49,999.99**

- Competitive solicitation process is not required by statute.
- Seeking competition is always recommended, though not required for this dollar range.
- Telephone calls can be made to vendors describing the services desired and requested price, schedule, and qualifications to perform.
- Purchases should be made based on the Port's inquiries, experience, and knowledge of the market to obtain the best quality product at the best price.
- Document process.

2. **\$50,000.00 - \$199,999.99**

- The Port must solicit responses from multiple firms.
- The Port will utilize an informal competition process, seeking bids from a minimum of three (3) vendors. The written solicitation may be emailed to them, and responses may be emailed back to expedite processing.
- Written solicitation should include at a minimum: description of services required, project schedule, request for qualifications, request for bid and due date for the responses.
- Evaluate responses and make award decision.
- Negotiate contract with most successful bidder.
- Documentation showing evidence of competition must be on file.

**3. \$200,000.00 and beyond**

- The Port must use formal competitive solicitation process (e.g., advertise in newspaper).
- Documentation of the formal competitive solicitation process must be on file.
- Selection must be based on criteria established for the project, including price.
- The Commission shall approve contract (See RCW 53.19.020(4)).

**VII. FEDERALLY FUNDED PROJECTS – SPECIAL PROVISIONS**

The purpose of this policy is to implement the requirements of federal guidance, when applicable, with regards to procurement of goods and services and the bidding on public contracts for public works, goods, services, supplies, and materials. It is the Port's policy to follow state and, when applicable, federal requirements with regard to the expenditure of public funds, 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. For federally funded purchases and contracts, the purpose of this policy is to also ensure that there is no abuse of federal funds and that all allowable costs are accorded consistent treatment.

Procurements using federal funds must meet all of the applicable federal, state, and local government specific requirements. The most restrictive threshold or method must be used. If there are no state laws or local policies that pertain to the item/service being procured, federal procurement standards will apply as outlined in Federal Uniform Guidance 2 CFR §200.

**A. Purchasing Code of Ethics**

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal award 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.

The officers, employees, and agents of the Port may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Disciplinary action will be taken against any employee, up to and including termination, for any violation of these ethics and standards.

**B. Procedures**

The Port will avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

*Subpart D of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – 2 CFR 200 ("Uniform Guidance") provides the federal requirements for procurement.*



When federal funds are used to pay for all or a portion of goods and services, federal regulations require that the Port ensure compliance with:

- State laws and Port policies related to procurement. Federal procurement requirements apply if there is no corresponding state law covering bid requirements;
- Suspension and Debarment at [www.sam.gov](http://www.sam.gov); and
- Davis-Bacon Act (prevailing wage) requirements.

At any dollar amount, the most restrictive of federal, state, or Port-policy level requirements will be met.

The Uniform Guidance allows for five options for the procurement of materials, supplies, equipment, services, including professional services, or public works:

**1. Small Purchase Procedures.** Price or rate quotations must be obtained from an adequate number of qualified sources for purchases of services, supplies, or other property costing less than the Simplified Acquisition Threshold, currently set at Two Hundred Fifty Thousand Dollars (\$250,000.00). The Simplified Acquisition Threshold is periodically adjusted for inflation (See 2 CFR § 200.88, and Office of Management and Budget ["OMB"] Memorandum M-18-18).

**2. Formal Sealed Bids.** Advertise for purchases costing the Simplified Acquisition Threshold (\$250,000.00) or more. If this method is used, there are specific requirements that apply at 2 CFR §200.320(c)(2).

**3. Competitive Proposals (RFP/RFQ).** Advertise for competitive proposal purchases meeting or exceeding the Simplified Acquisition Threshold. However, there is no threshold for Professional Services (Architects/Engineers), whereby price is not a factor in the selection. If this method is used, there are specific requirements that apply at 2 CFR §200.320(d)(1)-(5).

**4. Noncompetitive Proposals.** A non-competitive purchase occurs when the Port determines competition is inadequate, the item or service is available only from a single source of supply, or there is an emergency situation where competitive bidding would cause an unreasonable delay.

**5. Micro Purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the Micro-Purchase Threshold, currently set at Ten Thousand Dollars (\$10,000.00) (Two Thousand Dollars [\$2,000.00] for public works). Micro-purchases may be awarded without soliciting competitive quotations if the Port considers the price reasonable. To the extent practicable, the Port must distribute micro-purchases equitably among qualified suppliers. The Micro-Purchase Threshold is periodically adjusted for inflation (See 2 CFR § 200.67 and OMB Memorandum M-18-18).

In all cases, the Port will maintain records sufficient to support its procurement decisions. These records will include:

- The rationale for the method of procurement;
- Selection of contract type;
- Contractor selection or rejection; and
- Basis for contract price.

## **Suspension and Debarment**

Before entering into federally-funded vendor contracts for goods and services, the Port will ensure the vendor is not suspended or debarred from participating in federal assistance programs. Documentation of the verification of this status shall be maintained by the Port.

## **VIII. CONFLICTS OF INTEREST**

An organizational conflict of interest exists when the services to be performed may result in an unfair competitive advantage to the consultant or impair its objectivity in performing the services.

Personal conflicts of interest can also arise. Ports are subject to the "Code of Ethics for Municipal Officers" (the "Code"). The Code governs "municipal officers," defined to include "all elected and appointed officers of a municipality, together with all deputies and assistances of such an officer, and all persons exercising or undertaking to exercise any of the powers or functions of a municipal officer" (See RCW 42.23.020(2)).

The Code prohibits a municipal officer from having a beneficial interest in a contract made under the municipal officer's supervision or for the benefit of his or her office. Contracts made in violation of this provision are void. Certain interests in contracts are deemed a "remote interest" and are not prohibited; however, an official with a remote interest must not participate in selecting the contractor and those remote interests must be disclosed to the governing body and noted in the official minutes prior to the formation of the contract (See RCW 42.23.030 through .050).

Three (3) key exceptions to the conflicts of interest prohibition are applicable to ports:

1. The first is the employment of any person by a municipality for unskilled day labor at wages not exceeding One Thousand Dollars (\$1,000.00) in any calendar month (See RCW 42.23.030(5)).
2. The second is the letting of any other contract in which the total amount received under the contract or contracts by the municipal officer or the municipal officer's business does not exceed Three Thousand Dollars (\$3,000.00) in any calendar month (See RCW 42.23.030(6)(a)).
3. The third arises when the Port leases Port property to a municipal officer or to a contracting party in which the municipal officer may be beneficially interested if a board of three (3) disinterested appraisers and the superior court where the property is situated finds that all terms and conditions of the lease are fair to the Port and in the public interest. The appraisers must be appointed from members of the American Institute of Real Estate Appraisers by the presiding judge of the superior court (See RCW 42.23.030(7)).

A municipal officer may not vote in the authorization, approval, or ratification of a contract in which he or she is beneficially interested even though one of the exemptions allowing the awarding of such a contract applies. The interest of the municipal officer must be disclosed to the governing body and noted in the official minutes or similar records before the formation of the contract (See RCW 42.23.030).

The Code also identifies certain "prohibited acts" for municipal officers:

- Using his or her position to obtain special privileges or exemptions for himself, herself, or others;
- Directly or indirectly, giving or receiving or agreeing to receive any compensation, gift, reward, or gratuity from a source other than the employing municipality in connection with the officer's duties;
- Accepting employment or engaging in a business or professional activity that the officer might reasonably expect would require or induce him or her to disclose confidential information gained by virtue of his or her official position; and
- Disclosing confidential information gained by reason of the officer's position or using such information for personal gain (See RCW 42.23.070).