



PROCUREMENT POLICY

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1.0 GENERAL

Purpose

This document is intended to direct WCOG's purchases of goods and services. The process is intended to be an open, fair, well documented, and competitive process.

Objectives

The objectives of the WCOG's purchasing policy are as follows:

- A uniform system to obtain supplies, materials, equipment and services in an efficient and timely manner;
- Responsibility and accountability of public funds used by WCOG;
- Ensure equal opportunity and competition among vendors and consultants;
- Effective relationships and clear communication between the WCOG and its vendors and consultants;
- Compliance with the comprehensive state procurement statutes which govern expenditures of public funds;
- To promote use of recycled materials and products, and to dispose of surplus and scrap materials in a cost efficient and environmentally-responsible manner.

Scope

These guidelines apply to purchases of:

- Supplies, materials and equipment
- Non-professional services
- Professional services

The guidelines do not apply to the acquisition, sale, or lease of real property.

If grant funding is involved in the proposed purchase, applicable requirements should be obtained from the funding agency. Such requirements may be more restrictive than the WCOG's policy.

Controlling Laws

All purchases shall comply with appropriate and relevant federal, state and local laws as well as WCOG's policies. When federal, state or local laws, regulations, grants or requirements are more restrictive than these guidelines, such laws, regulations, grants or requirements shall be followed.

Code of Ethics

No employee, officer or agent of WCOG shall participate in the selection, award or administration of a contract or authorization of a purchase if a conflict of interest, real or apparent, would be involved. Disciplinary actions resulting from violation of this policy are

listed in the Whatcom Council of Governments' Personnel Manual, Section 9.2 Disciplinary Guidelines.

Credit Cards

WCOG recognizes the use of credit cards to be an appropriate and useful means of making payment for a variety of purchase types, including travel expenses, supplies, online purchases and recurring vendor payments (where appropriate).

The Executive Director is responsible for determining which employees are authorized to use credit cards and for designating a Credit Card Administrator who will setup and maintain credit card account(s) with the credit card financial institution.

The Credit Card Administrator is responsible for the overall administration of the credit card program by reviewing, reporting and coordinating all aspects of the program. The Credit Card Administrator will act as the liaison between the financial institution and the employee.

The employee is responsible for providing all credit card receipts and/or other documents identifying the credit card expenditures to the Credit Card Administrator no later than the workday following the day the purchase was made, except when the employee is traveling on business; in such case, the employee shall provide all receipts on his/her first day back in the office.

Issuance, Use and Control:

- **Issuance and Use.** Credit cards may be issued to WCOG and used by authorized employees for purchasing goods, services, supplies and other items from vendors, or in incurring registration, training or travel expenses in connection with the performance of their duties on behalf of WCOG.
- **Authorization and Control.** Upon authorization from the Executive Director, employees may obtain a credit card from the Credit Card Administrator who shall maintain a record of individuals issued credit cards. The Credit Card Administrator shall implement accounting controls to promote the proper use of credit cards and reduce the risk of loss or misuse.
- **Credit Limits.** Card limits will be set administratively for each card, reflecting among other things purchases expected to be made during a typical billing cycle and additional credit capacity needed in an emergency or other contingency.
- **Payment of Bills.** The Credit Card Administrator shall establish a procedure for the prompt payment of all credit card bills on or before the due date.
- **Unauthorized Charges.** Credit cards issued to employees shall be used only for bona fide WCOG business purposes. Any employee using a WCOG credit card for unauthorized purposes, including personal purchases, may be subject to disciplinary action up to and including termination, civil action to recover unauthorized credit card charges plus court costs, and criminal prosecution.
- **Prohibited Uses.** Cash advances on credit cards are prohibited.

Responsibilities

The Executive Director has primary responsibility and oversight for purchasing activities of WCOG and has the authority to delegate purchasing responsibilities as appropriate. The Executive Director will periodically review and evaluate the procurement procedures to ensure the best internal controls possible and will recommend changes as necessary.

2.0 DETERMINING TOTAL PURCHASE

Use Anticipated Cost

The anticipated annual need for a good or service (when it can reasonably be projected) shall be used to determine the cost of that good or service, and thus which procurement method and related purchasing requirements shall apply.

No “Splitting”

Procurements shall not be divided to artificially create a lower total cost to avoid procurement method or competition requirements. If one item being purchased requires another item to “make a whole”, the total accumulated costs of the two items (when they can reasonably be projected) should be considered together to determine which procurement method is applicable, unless the two items are not available from a single supplier.

Example: Replacement carpeting is being purchased for a conference room. The total cost of the carpet and the pad (and installation, if applicable) should be used when determining which procurement method should be applied.

Costs to Include

Include costs such as taxes, freight, and installation charges when determining which cost threshold applies. Do not include the value of a trade-in. (Trade-in value should be considered, however, to determine the lowest price when the small purchase method is used.)

Include Total Quantity Needed

The total quantity of a needed item (when it can reasonably be projected) should be considered when determining which cost threshold and related purchasing requirements apply.

Multiphase Programs

If a project is to be completed in phases, the total accumulated cost for all phases should be considered when determining which cost threshold applies.

3.0 PROCURMENT METHODS

Procurements must be covered by budget appropriations approved by the WCOG’s Council Board. Procurements requiring additional appropriations must also be approved by the Council Board. One of the following methods of procurement must be used. The thresholds listed are

more restrictive than those authorized in state law for member jurisdictions and outlined in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200, Uniform Guidance) issued by the federal government for the use of federal grant funding.

Micro Purchase – Less than \$5,000

Micro purchases cover the acquisition of supplies or services, when the aggregate annual dollar amount does is less than \$5,000. To the extent practicable, micro-purchases must be distributed equitably among qualified vendors. Micro-purchases do not require soliciting competitive bids, but employees should still make reasonable efforts to receive the best price possible. All employees are authorized to make micro-purchases.

Small Purchase - \$5,000 to \$100,000

Small purchases shall be processed through a competitive solicitation process whereby a minimum of three (3) price or rate quotes are solicited from vendors who can reasonably be expected to provide the required goods and/or services. The quotes must be documented on a Purchase Request Form which then must be signed by the Executive Director prior to execution of the procurement. The procurement shall be awarded to the most responsive, responsible offeror who provides the lowest quote, or if criteria other than price are to be considered, whose proposal achieves the highest score when evaluated. Criteria may include experience, expertise, price, product availability, functionality, quality or suitability for a particular purpose.

Competitive Proposals – Greater Than \$100,000

Supplies and services greater than \$100,000 shall be procured using one of the following methods:

Request for Proposals (RFP)

RFPs are used when the specific requirements and/or technical specifications of a project are unclear and evaluation criteria are needed in addition to pricing. RFPs are evaluated by an evaluation committee based upon the evaluation criteria identified in the RFP. This method provides for negotiation of all terms and conditions of the proposal, including price before award. The RFP process may be used with competitive negotiation, multi-step and best and final offers. Award is made to the vendor whose proposal is determined to be the most advantageous to WCOG.

Request for Qualifications (RFQ) –

RFQs are used when seeking professional services. RFQs are evaluated by an evaluation committee based upon the evaluation criteria identified in the RFQ. Evaluations consider only technical factors and qualifications in the evaluation process, which may include description of their education, experience, management and other applicable criteria called for in the RFQ. This method provides for negotiation of all terms and conditions of the proposal, including price before award. Award is made to the consultant deemed to be the best qualified.

The following requirements apply:

- All RFP/Qs must be approved by the Executive Director;

- The RFP/Q must be publicized and should identify all evaluation factors and their relative importance, and all complete and timely submittals will be considered;
- Proposals or qualifications must be solicited from at least 2 qualified sources;
- A method shall be established for conducting technical evaluations of the proposals and qualifications received as part of the development of the RFP/Q;
- For RFPs, the proposal most advantageous to the program will be selected, even when the preferred proposal is not the lowest-priced;
- For RFQs, competitors' qualifications will be evaluated and the most qualified competitor will be selected, subject to negotiation of fair and reasonable compensation;
- The Executive Director signs all contracts; and
- Contracts greater than \$100,000 require approval by the WCOG's Executive Board or Council Board.

Noncompetitive Proposal

Procurement through solicitation of only one source (sole source) may be used when at least one of the following applies:

- The item is available only from a single source;
- Exigent circumstances (e.g., significant damage to the building requirement immediate attention) will not permit a delay resulting from competitive solicitation;
- The granting agency authorizes noncompetitive negotiations;
- After solicitation of at least two (2) sources, competition is determined to be infeasible.

The Executive Director must review all noncompetitive proposals, and all noncompetitive proposals over \$100,000 shall require Executive Board or Council Board approval.

Other Government or Cooperative Contracts

Competition is not required when purchases of supplies, services or equipment are made through competitively secured contracts executed by other government agencies or bonafide cooperative purchasing agreements, such as purchases of telephone service, software and computer equipment through vendor contracts negotiated by the State of Washington.

Intergovernmental Purchasing

Services provided by qualified public-sector agencies through intergovernmental agreements with any governmental entity, whether federal, state or local, shall be exempt from the competitive solicitation requirements.

Architectural and Engineering Services

The requirements outlined in RCW 39.80 must be followed to procure professional architectural or engineering services.

4.0 APPEAL AND PROTEST PROCEDURES

Any bidder, contractor or vendor who is aggrieved in connection with the solicitation or award of a bid or contracted products and services may file an appeal with Whatcom Council of

Governments. Bidders, contractors or vendors may submit an appeal of an award to the Executive Director in accordance with the following procedure:

- Bidder, contractor or vendor shall submit an appeal no later than five (5) business days after notification of the bid award. Such appeals must be received by the Executive Director no later than 5:00 p.m. within five (5) days of notice of award postmark date.
- All appeals must be in writing and signed by the bidder or an authorized agent of the bidder.
- The appeal shall include the name and address of the bidder, contractor or vendor.
- The appeal shall include a detailed description of the facts and disagreement that form the basis of the bidder's, contractor's or vendor's appeal and supporting documentation and the specific decision requested. The bidder, contractor or vendor shall also promptly provide any additional documentation related to the appeal upon request from the Executive Director.
- The Executive Director or authorized representative of Whatcom Council of Governments will provide the allegedly aggrieved bidder, contractor or vendor with a written decision within five (5) business days after receipt of the appeal. The decision by the Executive Director of Whatcom Council of Governments is final. If additional time is mutually agreed on, the Executive Director shall notify the bidder, contractor or vendor of any delay.
- Failure to comply with the appeal procedure shall render an appeal untimely or inadequate and result in rejection by Whatcom Council of Governments.

In the case of Washington State Department of Transportation (WSDOT)-grant funded operation, the vendor may further file a protest of the decision that resulted in the appeal process to WSDOT. The protest to WSDOT shall include a detailed description of the facts and disagreement that form the basis of the bidder's, contractor's or vendor's protest and supporting documentation and the specific decision requested.

5.0 COMPLIANCE WITH POLICY

Willful violation of any of the provisions of this policy may result in disciplinary action under WCOG's personnel policies.

6.0 GLOSSARY

Appropriation

WCOG Board authorization to expend funds for a specific purpose.

Competitive Bidding

The submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services.

Exigent

An urgent circumstance requiring immediate action.

Professional Services

Services which provide professional or technical expertise to accomplish a specific study, project, task, or other work statement.

Quote

A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding. For professional service contracts, quotes would typically include the qualifications of the provider and may or may not include pricing information depending upon the situation.

Request for Proposal (RFP)

All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals. The RFP procedure permits negotiation of proposals and prices, as distinguished from competitive bidding and a notice inviting bids. The procedure allows changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

Request for Qualification (RFQ)

A document generally used for obtaining a summary of qualifications from prospective providers of professional services.