

Guidelines for Purchasing, Bidding, and Contracting in Washington State Districts



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CONSERVATION DISTRICTS HANDBOOK: GUIDELINES FOR PURCHASING, BIDDING, AND CONTRACTING IN WASHINGTON STATE DISTRICTS

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DISCLAIMER

The content of this publication is for informational purposes only and is not intended as legal advice, nor as a substitute for the legal advice of an attorney. You should contact your district's legal counsel if you have a question regarding any legal issue.

These guidelines are permissive and discretionary and are applicable to all conservation districts. Where the guidelines indicate possible practices using such terms as "should" or "may," the suggestion is permissive and not mandatory. In addition, districts must also consider their own Board of Supervisors resolutions, policies, and procedures to determine what requirements are truly mandatory for a given contracting scenario. Case law, new regulations, or audit findings for one type of municipal corporation will not necessarily apply to all municipal corporations since enabling statutes may differ.

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Revision History

Below is a summary of significant recent changes to this publication. If you are aware of any other sections that you think need to be updated or clarified, please contact mrsc@mrsc.org. To make sure you have the most recent version, please go to mrsc.org/publications.

DATE	SUMMARY
October 2025	Overhauled and simplified document, linking to MRSC web resources for detailed guidance on each topic.
	Updated small works roster information and dollar limits now that conservation districts are "authorized local governments."
	Clarified information on when prevailing wage requirements do and do not apply to conservation districts.

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Introduction

Conservation districts are formed under <u>Chapter 89.08 RCW</u>, which establishes how districts are formed and sets forth their general powers. In most cases, a district and its employees will accomplish all activities for which funds are expended. In the event the district decides to acquire goods and/or services, or assign work or services through a contract, policies and procedures are necessary to ensure the process is consistently applied following the district's preferences.

This handbook is based on policy guidance developed by Washington State Conservation Commission staff in 2003 and updated with current Washington State purchasing and public works contracting statutes.

These guidelines are intended to ensure that quality projects, goods and services are acquired at the least cost. Other goals are to eliminate the impact of favoritism in procurement and to prevent fraud.

Competitive bidding, which requires open advertisements to all qualified bidders and public opening of bids, has been determined by the legislature to be the best way to accomplish these goals. Unfortunately, following competitive bid laws is often counterproductive for small projects, can be confusing, and is sometimes expensive. Recognizing this problem, the state legislature has, over the years, established and modified dollar amounts (commonly referred to as bid limits) below which competitive bids are not required, and has provided exemptions and alternatives to the competitive bidding process.

Since the statutes under which conservation districts are formed do not include this same guidance for bid limits and bidding procedures, districts must establish their own policies for guidance. The information that follows is intended to assist districts with examples and suggestions that will contribute to the decisions in setting such policies.

In recent years, MRSC has been significantly expanding and improving our online resources related to procurement and contracting, including topics such as:

- The new (2024) small works roster procedures
- New apprentice utilization requirements for larger public works contracts
- · Additional detail and clarifications related to contracting for services
- Electronic bidding guidance
- · Hundreds of new sample RFPs, RFQs, and Invitations to Bid
- And much more.

For this reason, we have simplified this publication to provide a basic overview of procurement and contracting for conservation districts – including unique aspects such as prevailing wages for reclamation projects – while linking to MRSC website resources for more details, in-depth guidance, and examples.

For all of MRSC's resources on these topics, see our series Explore Topics - Procurement & Public Works.

WSCC Expectations

In general, the Washington State Conservation Commission (WSCC) expects districts will:

1. Use sound business judgment

The district will use sound business judgment and fair administrative procedures in acquiring goods and services. This applies to invitations to bid, requests for proposals, solicitation of contractors or vendors, and awards of contracts or purchase contracts.

2. Select responsible contractors

The district will award contracts only to responsible contractors with the ability to perform successfully under the terms of a contract referring to <u>RCW 39.04.350</u>. The district should consider such matters as contractor 's ability to perform the work, compliance with agency policy, and record of past performance.

3. Award contracts competitively when required

The district will award contracts through a competitive process if required by state law and/or agency policy.

4. Ensure contractor compliance

Districts will ensure that all contractors comply with all applicable federal, state, and local laws and regulations related to discrimination, labor and job safety, and environmental protection; and that contractors perform in accordance with the terms and conditions of their contracts. Where deviation from those terms is permitted by a district, the responsibility for any extra costs incurred as a result of the deviation may not be allowed by the Commission.

5. Provide a written contract document

Contracts must be written, enforceable and legally sound, and must include appropriate general conditions (i.e., verbal contracts are not permitted). When contracting, the district is responsible for:

- Including specified provisions of any grant contract, where applicable, in any contract or agreement it enters into
- Seeking administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms

6. Maintain complete contracting records

- The district is required to submit to the Commission, on request, all signed contracts or interagency agreements it awards.
- The district is required to keep a complete written record of the procedures leading up to the award of any contract or Interagency Agreement.
- The district may be required to forward to the Commission copies of financial and activity reports, and records pertaining to any and all contracts and interagency agreements.

7. Maintain standards of ethical conduct

Districts will maintain a code of conduct governing the performance of their representatives including employees engaged in the award and administration of contracts. No employee, officer, or agent of the district will participate in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when there is a financial or other interest in the firm selected by:

- The employee, officer, or agent
- Any member of their immediate family
- Their partner, or
- An organization that employs, or is about to employ, any of the above and has a financial or other interest in the firm selected

The district's officers, employees, or agents must not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or other parties to contracts. Districts may set minimum rules where the financial interest is not substantial, or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by state or local law or regulations, the district's code of conduct will provide for penalties, sanctions, or other disciplinary actions for violations by its employees or agents, or by its contractor's employees or agents.

8. Analyze purchases for cost-effectiveness

Districts will avoid purchase of unnecessary or duplicate items and consolidate or break out purchases as appropriate to obtain a more economical price. Where applicable, the district will analyze lease versus purchase alternatives in determining the most economical approach.

9. Consider cooperating with other local governmental units

To foster greater economy and efficiency, districts are encouraged to consider entering into agreements with other public agencies for joint or cooperative action, pursuant to Chapter 39.34 RCW, the Interlocal Cooperation Act.

10. Use state or federal surplus property when possible

Districts are encouraged to use federal or state excess and/or surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces projects costs.

11. Resolve disputes promptly and fairly

Districts are responsible for the fair and just settlement of all contractual and administrative issues related to contracts for goods and services. Such issues include, but are not limited to, source evaluation, protests, disputes, and claims. This does not imply that the district is to be relieved of any contractual responsibilities under contracts.

12. Adopt protest procedures

The district will include a protest procedure for handling disputes in its contracts and interagency agreements and will disclose all information regarding protests to the Commission at the request of the project officer. A protester must exhaust all administrative remedies with the district before pursuing a protest with the Commission. The Commission will limit its review of protests to violations of state law, regulations, or the standards of a grant contract, and violations of the district's protest procedures in its failure to review a complaint. The Commission will refer all other protests to the district and will not substitute its judgment for that of the district unless the matter is primarily a Commission concern.

Transaction Categories

Conservation district purchases or contracts are generally categorized as:

- **Public works.** This includes all work, construction, alteration, repairs, or improvements, other than ordinary maintenance.
- **Purchases of materials, equipment, or supplies** *not* in connection with a public works contract. These are tangible items purchased for use in daily operations.
- **Professional architectural & engineering services.** This includes professional services provided by a consultant that fall under architecture, engineering, land surveying, or landscape architecture.
- Personal services. This consists of professional or technical expertise provided by a consultant, other than
 professional architecture & engineering services, to accomplish a specific study, project, task, or other work
 statement. Personal services are mostly intellectual in nature and usually tailored to the unique needs of
 each organization.
- **Purchased services.** This consists of services provided by a vendor to accomplish routine, continuing, and necessary functions. Purchased services mostly relate to physical activities that are usually repetitive, routine, or mechanical in nature, with minimal decision-making involved.

These different procurement categories are briefly discussed in the following pages, with links to additional MRSC resources for more information.

Visit MRSC's <u>Explore Topics – Procurement & Public Works</u> to see all of our procurement and contracting resources.

Public Works

RCW 39.04.010 broadly defines "public work" as:

[A]II work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. [...]

Competitive bidding is generally required for public works contracts – except for emergency contracts under RCW 39.04.280 – with the level of competition determined by the estimated contract value.

State law specifically authorizes conservation districts to use a small works roster process for contracts with an estimated value of \$350,000 or less, excluding sales tax. The small works roster requirements apply to all "authorized local governments," defined in RCW 39.04.010 as any "political subdivision of the state, school district, or special purpose district with public works authority." This very broad definition would include conservation districts; for more details, see MRSC's Small Works Roster Manual.

Other than that, there are few requirements in state law, so conservation districts will need to adopt their own bid limits and competitive processes by policy.

Public works contracts must be awarded to the lowest responsible bidder submitting a responsive bid, and payment of prevailing wages is usually required. However, there are certain unique circumstances when conservation districts are not required to pay prevailing wages, as discussed in Appendix B.

For suggested bid limits, see Appendix A.

For much more detail on public works contracting – including bidder responsibility, prevailing wages, sales and use taxes, bid guarantees/bid bonds, retainage, performance & payment bonds, bid advertisement and award, and project closeout – see MRSC's series of webpages on Public Works Contracts.

Purchases of Equipment, Materials, or Supplies

Conservation districts regularly purchase a variety of tangible items for use in their daily operations. Examples include, but are not limited to:

- Office supplies and furniture
- Computer equipment (hardware) and off-the-shelf software
- Vehicles and vehicle parts
- Fuel products
- Tools
- Water quality monitoring equipment
- · Herbicides for invasive species control

However, if a purchase is made in connection with a public works contract, the purchase must follow the public works bidding requirements as discussed earlier.

State law does not provide bid limits or competitive bidding processes for conservation district purchases of equipment, materials, and supplies, so conservation districts will need to adopt their own bid limits and competitive processes by policy.

For suggested bid limits, see <u>Appendix A</u>. For more information and guidance, see our MRSC's webpage Purchasing Materials, Equipment, and Supplies.

Professional Architecture & Engineering (A&E) Services

When contracting for professional architecture, landscape architecture, engineering, or land surveying, all local governments – including conservation districts – must follow the "qualifications-based selection" process in chapter 39.80 RCW.

Unlike other types of contracts which are awarded partially or entirely on cost, A&E contracts are awarded primarily based on qualifications. A conservation district should have a written policy outlining the procedures that will be used.

For suggested bid limits, see <u>Appendix A</u>. For more information and guidance, see MRSC's webpage Professional Architecture & Engineering Service Contracts.

Personal Services

Personal services are professional or technical services provided by a consultant to accomplish a specific study, project, task, or other work statement. Personal services are mostly intellectual in nature and are usually tailored to the unique needs of each organization. Examples include, but are not limited to:

- · Accounting and financial advising
- Grant writing
- Graphic design
- Legal services
- Organizational development and strategic planning
- Training services

Personal services do not include professional architecture, landscape architecture, engineering, or land surveying services, which would fall under professional architecture & engineering (A&E) services as discussed earlier.

State law does not provide bid limits or competitive bidding processes for personal services – whether for conservation districts or almost any other type of local government. Conservation districts will need to adopt their own bid limits and competitive processes by policy.

For suggested bid limits, see $\underline{\mathsf{Appendix}\;\mathsf{A}}$. For more information and guidance, see MRSC's webpage $\underline{\mathsf{Personal}}$ Services & Consultant Contracts.

Purchased Services

Purchased services are services provided by a vendor to accomplish routine, continuing, and necessary functions. Purchased services are mostly physical in nature and involve minimal decision-making. Examples include, but are not limited to:

- Janitorial services
- Landscape maintenance and herbicide application
- Data entry
- Recurring "off-the-shelf" software subscriptions, also known as "software as a service" or "SaaS"
- Computer hardware and software maintenance
- · Vehicle inspection, lubricating, and repair

There can sometimes be gray areas between purchased services and public works, and some purchased services require the payment of prevailing wages.

State law does not provide bid limits or competitive bidding processes for purchased services – whether for conservation districts or any other type of local government. Conservation districts will need to adopt their own bid limits and competitive processes by policy.

For suggested bid limits, see <u>Appendix A</u>. For more information and guidance, including discussion of when prevailing wages apply to purchased services, see MRSC's webpage <u>Purchased Service Contracts</u>.

Appendix A: Suggested Bid Limits

Below are suggested bid limits for conservation districts. Conservation districts have few bid limits in statute and have significant flexibility to adopt their own bid limits by policy.

The exception is small works rosters, which have specific requirements in state law and a maximum limit of \$350,000 excluding sales tax.

	Professional Services - QBS Only	Personal Services	Purchased Services	Equipment, Materials, and Supplies	Public Works Contracts
Minimal Competition OR Select From Roster/Vendor List	Less than \$10,000	Less than \$10,000	Less than \$10,000	Less than \$10,000	Less than \$75,500
Roster/Vendor List	\$10,000 to \$40,000	\$10,000 to \$40,000	\$10,000 to \$40,000	\$10,000 to \$40,000	\$350,000 or less (small works roster)
Formal Competition	Over \$40,000	Over \$40,000	Over \$40,000	Over \$40,000	Over \$350,000

Appendix B: Conservation Districts & Prevailing Wages

<u>Chapter 39.12 RCW</u> requires local government contractors and subcontractors to pay prevailing wages to all workers for all public works and maintenance contracts, *regardless of the dollar value of the contract*.

The following activities are subject to prevailing wages:

- Public works as defined in RCW 39.04.010
- Building service maintenance defined as janitors, waxers, shampooers, and window washers (RCW 39.12.020 and WAC 296-127-023)
- Construction, reconstruction, maintenance, or repair (RCW 39.12.030)
- Turn-key leases, rentals, or purchases (RCW 39.04.260)
- Off-site fabrication of non-standard items for a public works project (WAC 296-127-010(5)(b))

The wage rates vary by county and type of labor, and they are determined and enforced by the Department of Labor & Industries (L&I). Failure to comply with prevailing wage provisions may subject the district to liability for all unpaid prevailing wages and penalties.

However, conservation districts are unique in that they are sometimes exempt from prevailing wage requirements and sometimes not. The definition of "public work" in RCW 39.04.010 includes "all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality..." [emphasis added].

"Municipality" is further defined in <u>RCW 39.04.010</u> to include every city, county, town, port district, or other public agency authorized by law to require the execution of public work, *except* various types of diking, drainage, and irrigation districts, *or* "other districts authorized by law for the reclamation or development of waste or undeveloped lands" [emphasis added].

According to a 2012 L&I determination, conservation districts are arguably considered to be "reclamation districts" under RCW 89.16.040—and thus exempt from prevailing wage requirements—when they are contracting for work involving the conservation of resources as described in RCW 89.08.010 or the rehabilitation of lands that may be environmentally impaired or challenged.

However, conservation districts would be considered a "municipality"—and thus subject to prevailing wage requirements—when they are contracting for work that is *not* land rehabilitation. Work that would be subject to prevailing wages includes (but is not limited to) building construction, reconstruction, or repair; janitorial services or other building maintenance; and landscape maintenance.

While the *rehabilitation* of land may be exempt from prevailing wage requirements, the *maintenance* of undeveloped land or land that has already been rehabilitated would likely be subject to prevailing wages.

See the table below for a summary; also see WSCC District Operations Brief #8-2020.

Whether a particular conservation district contract is subject to prevailing wages or not will be heavily dependent on the facts. If you are uncertain whether prevailing wages are required for a specific project, you may want to contact the L&I Prevailing Wage team (PW1@Lni.wa.gov) to get their opinion.

For more information on prevailing wages generally, including determining wage rates, contractor notification, Statements of Intent, Affidavits of Wages Paid, and more, see our webpage Prevailing Wages.

Type of Activity	Requires prevailing wages?	Contractor must file Intents & Affidavits?
District hires full-time, part-time, or temporary/ seasonal staff to perform work	No	N/A
District requests bids and awards contract to work crew for seasonal work on project that district has found to be a "reclamation project"	No	No
District requests bids and awards contract for work that is not a "reclamation project" such as building construction or maintenance	Yes, unless sole proprietor (see below)	Yes
District requests bids and awards contract to sole proprietor for work that is not a "reclamation project"	Sole proprietor and spouse are exempt (WAC 296-127-026); any other employees or subcontractors must be paid prevailing wages	Yes, even if prevailing wages are not due; see <u>L&I Policy</u> 05/11/2009
Landowner hires crew or individual to install a cost-shared project	No	No

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