

**WEST SOUND UTILITY DISTRICT
RESOLUTION 342-12**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
ESTABLISHING A POLICY RELATING TO CONTRACT APPROVALS AND
AUTHORIZING THE DISTRICT GENERAL MANAGER TO EXECUTE
CERTAIN CONTRACTS CONSISTENT WITH THE APPROVED ANNUAL
BUDGET WITHOUT PRIOR INDIVIDUAL APPROVAL BY THE BOARD OF
COMMISSIONERS; REPEALING KARCHER CREEK SEWER DISTRICT RESOLUTION
844A-05; REPEALING WEST SOUND UTILITY DISTRICT RESOLUTION 61-08;
PROVIDING FOR SEVERABILITY**

WHEREAS, Chapter 57.08 RCW provides that West Sound Utility District, through the District's Board of Commissioners, may contract and be contracted with; and

WHEREAS, the District currently operates its purchasing system following Karcher Creek Sewer District adopted Resolution 844A-05 which requires the use of purchase orders for all purchases made by the District in excess of one thousand dollars; and

WHEREAS, West Sound Utility District Resolution 61-08 identifies and designates certain representatives of the District to sign contracts for the District; and

WHEREAS, the District enters into a large number of minor and routine contracts for which it is deemed burdensome to individually seek and obtain the Board of Commissioners' approval; and

WHEREAS, the Board of Commissioners has determined the practical needs of the District require that the General Manager enter into certain contracts without first obtaining prior approval by the Board of Commissioners in order to allow the District to function in a more orderly and efficient manner; **NOW, THEREFORE**,

THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

Section 1. Repeal of Prior Resolution. The Board of Commissioner hereby repeals Karcher Creek Sewer District Resolution 844A-05 and West Sound Utility District Resolution 61-08.

Section 2. General Manager Contract Approval Authorization.

The following procedure is hereby established by the District Board of Commissioners ("Board") for the approval of certain contracts and granting the General Manager negotiating and signing authority with respect to such contracts without first obtaining prior approval from the Board:

A. The Board authorizes the General Manager to negotiate, enter into and execute on behalf of the District the following contracts without approval of each such contract by the Board , provided that such contracts are consistent with the approved annual budget for the District and the District's liability under the contract does not exceed available District fund balances:

1. Contracts for purchase of goods, supplies, materials or equipment involving a cost or fee (including sales tax) of less than Ten Thousand Dollars (\$10,000).

2. Professional service contracts, including contracts for architectural, engineering, legal and consulting services, involving a cost or fee (excluding sales tax) of less than Twenty Thousand Dollars (\$20,000) per year, with the provision that in entering into such contracts for architectural or engineering services, the General Manager follow the terms of Chapter 39.80 RCW pertaining to the hiring of architects and/or engineers.
3. Maintenance contracts involving a cost or fee (excluding sales tax) of less than Twenty Thousand Dollars (\$20,000) per year.
4. Public Works projects involving a cost or fee of less than Twenty Thousand Dollars (\$20,000) involving a single trade or multiple trades.
5. Settlement agreements involving a cost or fee of less than Ten Thousand Dollars (\$10,000), and retention of legal counsel and expert consultants involving risk management claims or suits.
6. Other routine agreements that are not otherwise addressed in this Resolution where no expenditure is involved, or the cost, expenditure or fee (excluding sales tax) does not exceed Twenty Thousand Dollars (\$20,000).
7. Lease agreements for materials, supplies and equipment where the expenditure or fee does not exceed Twenty Thousand Dollars (\$20,000) per year for leases without an option to purchase.
8. Sale of surplus property with an estimated cumulative value of less than Two Thousand Five Hundred Dollars (\$2,500.00), which property the Board has declared surplus by resolution in accordance with RCW 57.08.015, with such sale or disposition to be made by the General Manager in accordance with informal procedures and in the best interest of the District. All property declared by the Board to be surplus having a value of \$2,500.00 or more shall be sold in accordance with the provisions of RCW 57.08.015 and RCW 57.08.016.
9. Contracts that are not otherwise identified in this Chapter that carry out or implement a provision of West Sound Utility District resolution or established District policy (e.g., maintenance or performance bonds, easements and bill of sales conveying property to the District, binding letters of utility service availability, public room rental agreements).
10. Emergency contracts. "Emergency" means a set of unforeseen circumstances that either:
 - a. Present a real, immediate threat to the proper performance of essential functions; or
 - b. Will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

11. Employment and Personnel Agreements. Unless otherwise provided by statute or District resolution (e.g., salaries and compensation are subject to District policy).
- B. The breaking down of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amount is prohibited. The amount of a contract includes all amendments thereto; provided, however, amendments that do not exceed in total ten percent (10%) of the contract amount may be entered into without prior Board approval.
- C. The General Manager may present any contract to the Board for prior approval, even if the contract is allowed to be approved by the General Manager without prior Board approval.
- D. Interlocal service agreements with a cost of service that does not exceed Twenty Thousand Dollars (\$20,000) per year.
- E. The General Manager shall promptly, within ten (10) days of contract entry, provide to the Board a copy (or summary) of any contract (or amendment) that has not received prior Board approval.
- F. "Contract" means any agreement creating a legal relationship between the District and another person or entity, or any amendment thereto.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this Resolution, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Resolution be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Resolution or its application to other persons or circumstances.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled meeting on February 21, 2012.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Jeannie Screws
Chairperson

James J. Hart
Secretary

Susan Way
Vice Chairperson

Jerry Lundberg
Commissioner