



Independent  
Contracting / Decision-  
Making Authority

aka guide to:

*“So you want  
to buy or sell  
something”*

Revision November 2017

# BID LIMITS\*

<i>Action Item</i>	<i>Particulars</i>	<i>Who Is Authorized</i>	<i>Basis/Source(s)</i>
<b>Under \$3,000</b> , including tax and shipping	<p>Requires purchase requisition for goods and materials. For any services, a contract is required. Does not require competitive process. Must be approved by manager and then approved by Purchasing. Determination must be made that the price is “fair and reasonable” and buyer must set forth basis for that determination. Form can be found at: IPT/Procurement/Shared Documents/Purchase Requisition Form.</p> <p><b>Note:</b> This does not apply to public works/construction projects, which always require a competitive bid and contract, and requires advertisement in the newspaper (contact Purchasing Manager).</p> <p><b>Note:</b> On all contracts, contact Purchasing Manager to ensure you meet all requirements.</p>	Purchasing Manager	PT Code 3.12.030 Purchasing Manual, pgs. 4, 8, RCW 39.04  RCW 39.04.010, .020
<b>\$3,001-\$10,000</b> , including tax and shipping	<p>Three quotes which may be verbal. Requires purchase requisition for goods and materials. For construction or services, a contract is required. Form can be found at: IPT/Procurement/Shared Documents/Purchase Requisition Form.</p> <p><b>Note:</b> This does not apply to public works/construction projects, which always require a competitive bid and contract, and requires advertisement in the newspaper (contact Purchasing Manager).</p> <p><b>Note:</b> On all contracts, contact Purchasing Manager to ensure you meet all requirements</p>	Purchasing Manager	PT Code 3.12.030 Purchasing Manual, pg. 10  RCW 39.04.010, .020
<b>\$10,001 to \$35,000</b> , including tax and shipping**	<p>Requires three written quotes. Requires purchase requisition for goods and materials. For construction or services, a contract is required.</p> <p>Three quotes must be accompanied with a detailed specifications or scope of work with written quotes for purchases valued at \$10,001 to \$35,000. Form can be found at: IPT/Procurement/Shared Documents/Purchase Requisition Form</p> <p><b>Note:</b> This does not apply to public works/construction projects, which always require a competitive bid and contract, and requires advertisement in the newspaper (contact Purchasing Manager).</p> <p><b>Note:</b> On all contracts, contact Purchasing Manager to ensure you meet all requirements.</p>	Purchasing Manager	PT Code 3.12.030 Purchasing Manual, pg. 10 (re: Informal purchasing procedures) Established initially by Resolution No. 84-005  RCW 39.04.010, .020

\* All bid levels are subject to the procedures for informal and formal bids found at [ipt/depts/finance/puchasing/shared documents](#)

\*\* Splitting of orders to remain under this threshold is not permitted. See Purchasing Manual, Section IV, pg. 8.

\*\*Purchasing Department has the authority and discretion to require a formal purchasing procedure for smaller purchases than \$35k if advertising would result in increased competition. See Purchasing Manual, Section III, pg. 7.

# BID LIMITS

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<b>Over \$35,000</b>	<p>Formal purchasing procedure is required. To begin process, requestor to forward draft specifications with an independent estimate. Recommendation to award contract comes from Procurement Dept.</p> <p><b>Note:</b> Must comply with FTA requirements and conditions of grant, as applicable.</p>	Procurement	PT Code 3.12.030 Purchasing Manual, Section V, pgs. 12-19
<b>Intergovernmental Purchasing "Piggybacking"</b>	<p>PT may take advantage of cooperative purchasing for goods and services if doing so results in more favorable pricing for volume. Requires ICE and cost or price analysis. Requires that applicable formal bidding procedures that PT would otherwise use are adhered to by the other entity and federal requirements are utilized if federal funds are involved. Requires purchase requisition for goods and materials. For services, a contract is required. <b>Note:</b> Pursuant to the Brooks Act, "Piggybacking" should not be used for Architect/Engineer Services on Federally-funded projects.</p>	Procurement	PT Code 3.13.120 (C) Purchasing Manual, Section VII, pg. 21 40 U.S.C. §1101, et seq

# INDEPENDENT CONTRACT AUTHORITY

<i>Action Item</i>	<i>Particulars</i>	<i>Who Is Authorized</i>	<i>Basis/Source(s)</i>
<b>Contracts</b>	Total value up to \$5k	Executive Director of Finance, Procurement Manager	Purchasing Manual, pgs. 18, 38 PT Code 3.12.030
	Total value up to \$200k	CEO	Purchasing Manual, pg. 18 PT Code 3.12.030
	Total value up to \$1 million	EFC	Purchasing Manual, pg. 18 PT Code 3.13.010
	Total value - Any amount	BOC	Purchasing Manual, pg. 19 PT Code, Chapter 3.13 RCW 39.33
<b>Purchase Orders</b>	All Purchase Orders	Procurement Manager	Purchasing Manual, pg. 3
<b>Real Property</b>	Real property acquisitions or use (purchases, leases, easements, access permits, etc.) PROVIDED: (a) that funding is in budget; (b) term of the agreement is under 5 years, including options; <u>and</u> (c) the total monetary commitment is under \$200k.	CEO	PT Code 3.13.110
	Real property acquisitions or use (purchases, leases, easements, access permits, etc.) IF: (a) funding is not in budget; (b) term of the agreement is over 5 years, including options; or (c) the total monetary commitment is over \$200k.	BOC	RCW 39.33 PT Code 3.13.110
	All sale, exchange, transfer or lease of PT-owned real property	BOC	RCW 39.33 PT Code 3.13.110
<b>Agreements with other governmental agencies</b>	Generally inclusive of contracts, memoranda of agreements (MOAs), memoranda of understanding (MOUs), partnerships, etc. Any time that governmental entities cooperate to jointly perform any "governmental service, activity or undertaking...[it] shall be authorized by the governing body of each party..."	BOC	Interlocal Cooperation Act, RCW 39.34.080; RCW 39.34.030(1)



# INDEPENDENT CONTRACT AUTHORITY

<i>Action Item</i>	<i>Particulars</i>	<i>Who Is Authorized</i>	<i>Basis/Source(s)</i>
<b>Surplus of Property</b>	Over \$50k in aggregate	BOC - Requires public hearing	RCW 39.33.020 PT Code 3.13.180 (as recently amended 12/2015)
	Under \$50k in aggregate (over this amount requires public hearing)	CEO	RCW 39.33.020 PT Code 3.13.180 (as recently amended 12/2015)
<b>Settlement of Claims</b>	Over \$50k	CEO	PT Code 4.16.020
	Up to \$50k	Executive Director of Employee Services	PT Code 4.16.020
	Up to \$25k	Risk Manager	PT Code 4.16.020
<b>Budget Changes</b>	Capital project budget change over \$50k	BOC	Reso 03-070 (12/8/03)
	Capital project budget change up to \$50k (if within the budget, including the transfer of funds from or to the Operating Budget)	CEO	Reso 03-070 (12/8/03)
<b>Change Orders &amp; Field Authorization</b>	Change Orders over \$50,000 (if within approved contract budget, including contingency)	CEO	PT Code 3.13.090
	Change orders up to \$50,000 (if within approved contract budget, including contingency)	Executive Director of Finance and Procurement Manager	PT Code 3.13.090
	Field Authorization up to \$10k per occurrence and Change Order Proposals	Project Managers - Once CEO has signed project charter delegating this authority	Per charter from each individual project but only upon signed delegation CEO Resolution 08-018

# INDEPENDENT CONTRACT AUTHORITY

<i>Action Item</i>	<i>Particulars</i>	<i>Who Is Authorized</i>	<i>Basis/Source(s)</i>
Sole Source	Up to \$100k	CEO	Resolution 08-018 PT Code 3.13.060
	Over \$100k	BOC	Resolution 08-018 § 6 PT Code 3.13.060
	Emergencies that require immediate execution of contract	CEO - Provided that ratification of same is made at next BOC meeting	PT Code 3.13.080
Full Authority		BOC	Purchasing Manual, pg.19 PT Code, Chapter 3.13 RCW 36.57A.080, .090

# KEY CONCEPTS / DEFINITIONS

<i>Topic</i>	<i>Definition</i>	<i>Basis/Source(s)</i>
<b>Public Works</b>	<p>“‘Public work’ means all work, construction, alteration, repair, improvement other than ordinary maintenance. . . including maintenance when performed by contract shall comply with chapter 39.12 RCW [Prevailing wages].”</p> <p>“Plans, specifications, or both thereof and an estimate of the cost” must be completed and on file.</p> <p>Contract only with qualified, responsible bidders.</p> <p>Prior to award, requires certification of compliance with prevailing wage laws.</p> <p><b>Note:</b> “Ordinary maintenance” has been interpreted to mean maintenance performed by Agency staff. That means that maintenance pursuant to a Contract should be treated like public works.</p>	<p>See generally: RCW 39.04.010, 39.12.010, 39.12.020, 39.12.030, WAC 296-127-010 – 023</p> <p>RCW 39.04.020</p> <p>WAC 296-127-010(7)(b)(iii)</p>
<b>Prevailing wages</b>	<p>All workers on government contracts must be paid prevailing wages on public works.</p> <p>Intent is to protect others’ employees.</p> <p>On any public works contract, PT must require the contractor and each sub to submit Statement of Intent to Pay Prevailing Wages approved by L&amp;I.</p> <p>Before payment made, Affidavit of Wages Paid must be submitted by the contractor.</p>	<p>RCW 30.04.010, .030, .260, 39.12.010, .020, .030, .040, WAC 296 – 127-040 - .050</p>
<b>Sole Source</b>	<p>Sole Source is when only one vendor possesses the unique and singularly available capability to meet the requirements of the solicitation.</p> <p>Examples include:</p> <ul style="list-style-type: none"><li>• The service or product is not provided by another vendor.</li><li>• Sole provider of a licensed or patented good(s) or service(s)</li><li>• Sole provider of items that are compatible with existing equipment, inventory, systems, programs or services</li><li>• Sole provider of goods and services for which Pierce Transit has established a standard</li><li>• Sole provider of factory authorized warranty service</li><li>• Sole provider of goods or services that will meet the specialized needs of Pierce Transit or perform the intended function (please detail below or in an attachment)</li></ul>	<p>PT Code 3.13.020</p>

# KEY CONCEPTS / DEFINITIONS

## *Topic*

## *Definition*

## *Basis/Source(s)*

### **Sole Source** *(continued)*

A special circumstance when specialized knowledge or skill is needed for a project and there is limited time and vendors with the expertise

- The vendor/distributor is a holder of a used item that would represent good value and is advantageous to Pierce Transit (please attach information on market price survey, availability, etc.).
- The vendor has unique/specialized knowledge in the services required for a project.

**Note:** Be prepared to list what steps were taken to verify that these features are not available elsewhere.

**Note:** All sole sources over \$10,000 are reported to the Board.

## **Have A Question?**

Please contact Dana Henderson  
General Counsel  
253.777.4977  
[dhenderson@piercetransit.org](mailto:dhenderson@piercetransit.org)

Spiro Manthou  
Purchasing Manager  
253.581.8086  
[smanthou@piercetransit.org](mailto:smanthou@piercetransit.org)