

Long Tom Watershed Council

Contracting and Procurement Process

Approved Jan 6, 2011

Updates approved by Operations Committee: July 16, 2014

A. Purpose

The purpose of this policy is to ensure that the LTWC's contracting activities result in a fair and time-efficient process that delivers high quality products and services for the greatest overall value. As much as possible, the LTWC seeks to secure goods and services from a diversity of providers located within or near the Long Tom Watershed.

B. Definitions

1. Professional Services: private professional service consultants (*e.g.*, engineers, restoration biologists, landscape architects, watershed scientists, etc.) that provide analysis and interpretation typically culminating in a project design and/or analytical report.
2. Construction / Implementation: construction and/or implementation crews (*e.g.*, heavy equipment, labor crews, planting crews, or other implementation services) that assist in the implementation of a project.
3. Supplies / Materials / Equipment: supplies, materials or equipment for the implementation of projects or the operations of the LTWC (*e.g.*, plants, rock, tools, computers, vehicles, software, etc.).

C. General Procedures

1. Every three years, Council staff shall place an advertisement in the local newspaper to solicit a Statement of Qualifications (SOQ) from new contractors that wish to provide professional services and/or construction and project implementation services to the Council. Staff may also wish to solicit information from vendors of supplies and materials. Staff may allow other contractors to submit information between the formal announcement periods as necessary to provide greater choice for the Council in selecting competitive and high quality services.
2. Council staff will maintain an internal database that will include contact information, SOQ or products, rates/prices, and notes on past performance for contractors and vendors. Past performance notes can include recommendations from other individuals or organizations.
3. All contractors shall provide proof of current commercial general liability, professional liability (if relevant), automobile liability, and worker's compensation for the minimum amounts specified in the contract. Each policy shall be written as a primary policy. A certificate of Additionally Insured shall be received by Council before work begins. Each policy shall be with an admitted insurance carrier licensed to do business in the state of Oregon and shall contain an endorsement entitling Council to not less than 30 days prior written notice of any material change, non-renewal or cancellation.

4. Council projects are not subject to Bureau of Labor and Industry regulations unless construction costs on a project exceed \$50,000 on public land or \$750,000 on private land.
5. All contract templates shall receive legal review and be approved by the Operations Committee. Contract templates shall undergo legal review every 5 years, unless the Council has been involved in a formal or informal dispute involving a contract. In the case of a dispute, that type of contract shall undergo legal review within 2 months and prior to releasing any other contract of that type.

D. Procurement of Supplies, Materials and/or Equipment

1. Procurement of supplies, materials or equipment valued at greater than \$3,000 per purchase or item shall require a minimum of two price quotes. If two price quotes cannot be obtained, Staff shall make a written record of this fact and proceed with negotiating a purchase from the supplier.
 - a. Price quotes shall be received and reviewed by staff. Staff shall select the supplier that provides the best value, taking into account price and other applicable factors such as quality, brand, availability, and delivery or payment options.
 - b. Staff shall negotiate the details of the procurement contract with the selected supplier.
 - c. The Executive Director may increase this limit to \$5,000 on a case by case basis and report that action to the Operations Committee within one month.

E. Procurement of Services

1. No-bid contracts: For contracts involving a value of work less than or equal to \$25,000, Council staff may negotiate a no-bid Standard or Master contract with any qualified contractor, up to \$25,000 per year per contractor.
2. Hourly rates for equipment use: The maximum contract ceiling for hourly rates for equipment is \$50,000.
3. For Standard or Master contracts involving a value of work greater than \$25,000, staff shall use a bid process, referred to here as a RFP (Request for Proposal). The master contract maximum is \$50,000 or \$100,000 if the master contract is for engineering services.
4. Work is considered labor, and does not include materials and supplies.

F. Request for Proposals (RFPs)

1. Staff shall send an RFP to all qualified contractors in the Council's contractor database and others referred by partner organizations. Staff may also post the RFP on the Council's website and may elect to publish the RFP via other media.

2. RFPs for Professional Services will include a site description, project background, statement of work, design guidelines, project schedule, proposal and contract requirements, and selection process. RFPs may also include a not to exceed amount.
 - a. Proposals for Professional Services shall identify the local office and staff who will work on the project, including their primary role, approximate number of hours or proportion of time they will spend on the project, their qualifications, and their experience with the type of design/task requested. Proposals shall also include project approach and a description of similar completed projects and references for each. Proposals may state a fixed bid or hourly rates depending on project requirements.
3. RFPs for Construction/Implementation Services will include a site description, project background, statement of work, bidding process, design and construction specifications, project schedule, contract requirements (*e.g.*, insurance, minimum experience, environmental safety, worksite safety, required equipment), selection process, and a bid form. RFPs may also include a not to exceed amount.
 - a. Proposals for Construction/Implementation Services shall be on bid form/packet included with RFP.
4. Staff will review proposals, qualifications, and references and select contractor within the time frame specified in the RFP.

G. Standard Contracts

1. Staff shall execute a Standard Contract within the time frame specified in the RFP. All contracts will be reviewed and signed by LTWC's Executive Director.
2. Standard Contracts for Professional Services or Construction/Implementation Services shall include site and project description, statement of work, project schedule and due dates, payments and contract sum, insurance requirements, quality of work warranty, contract effective date, and clauses pertaining to indemnification, contract termination/suspension, laws and ordinances, arbitration, notices, contract documents, and jurisdiction and venue. Contracts may also include special conditions (*e.g.*, environmental and work site safety, contractor furnished items).
3. No-bid contracts can be secured for work less than or equal to \$25,000.

H. Master Contracts

1. Master Contracts are intended to expedite work that comes in small chunks but is related, to provide the Council with better rates, and to streamline paperwork for both Council and contractors. Work is generally performed on a time and materials basis, through work orders that include a not to exceed amount.
2. Master Contracts can be up to 3 years with rates negotiated annually.

3. The total value of the labor in the work orders awarded to any one contractor shall not exceed \$50,000 per calendar year, or \$100,000 per calendar year for engineering services. No-bid contracts may be secured for work up to \$25,000.
4. Every three years, staff shall invite all contractors in the database and in good standing to apply for Master Contractor status. Applicants will provide fixed rates for one year. The Council will select contractors based on rates and quality of work. Quality of work shall be evidenced by past work for the Council and/or recommendations from other entities.
5. A Master Contract will include all the elements listed in the standard contract except for site/project description, project schedule/due dates, statement of work, and special conditions. Hourly rates will be specified in lieu of payment/contract sum. Individual work orders will include a statement of work, project schedule/due dates, special conditions, and not to exceed amount.

I. Conflicts of Interest

1. Prior to the award of a contract to a LTWC board member or their immediate family, the Executive Director, or his/her designee, shall notify the entire board of the proposed contract in writing. If 25% of the board members object to the contract, the contract will be brought to a board meeting for discussion and potential approval.
 - a. This process will also satisfy the requirements of the LTWC Conflict of Interest Policy.

J. Responsibility

1. The Executive Director, or his/her designee, is responsible for negotiating and executing all contracts under this policy.

K. Reporting

1. The Operations Manager shall provide a list of awarded contracts in the monthly staff reports to the board. The staff report shall include the name of the contractor, the amount of the contract and the project.

L. Contract Review Board

1. The Operations Committee shall serve as the Contract Review Board for any disputed contracts.
 - a. The Executive Committee shall serve when the Operations Committee is unable to serve.

M. Exceptions

1. Exceptions to this policy may be granted by the Operations Committee on a case by case basis, as long as one Board member is involved in the decision. That board member or the Executive Director may redirect the discussion to the Board at any time.
2. An exception for a no-bid contract over \$25,000 is permitted only under the following circumstances:
 - a. More than one contractor or supplier who meet the minimum qualifications for the contract are not available or interested, or
3. An unusual project-specific situation exists. If Operations Committee grants an exception, staff must document the situation in a written record supporting the decision, which will be retained in the project file.