

Kitsap 911 Board of Directors Meeting

May 3, 2016 (12:00 to 12:40)

Norm Dicks Building

A G E N D A

1. Call to Order (Ellingson)
 2. Additions to the agenda (Ellingson)
 3. Public Comment (limited to 2 minutes per speaker)
 4. Bylaws (Kirton)
 - o Possible Action: Adoption of Kitsap 911 Bylaws
 5. Election of Chair and Vice Chair (Kirton)
 - o CENCOM chair is David Ellingson, Vice Chair is Greg Wheeler
 6. Appointment of Executive Committee (Chair)
 - o CENCOM Executive Committee Members are Dusty Wiley, Becky Erickson, Gary Simpson, the CPB Chair (Dave Ellingson), the SAB Chair (Jeff Griffin). The SAB Vice Chair position is currently vacant.
 7. Meeting Schedule (Kirton)
 - o Possible Action: Adoption of Resolution establishing regular meeting schedule
 8. Appointment of Executive Director (Chair)
 9. Legal Services (Kirton)
 - o Possible Action: Authorize staff to release RFQ for legal services
 10. Guild Recognition (Kirton)
 - o Possible Action: Adoption of Resolution recognizing Kitsap County 911 Employees Guild
 11. Accounting Basis (Kirton/King)
 - o Possible Action: Authorize cash basis accounting
 12. Transition Report (Kirton)
 - o Risk Insurance
 - o
 13. Good of the Order (All)
- 12:40 Adjourn** (Chair)

KITSAP 911 BYLAWS

I. KITSAP 911 PUBLIC AUTHORITY

Kitsap 911 is a public authority (“Kitsap 911”) established by Kitsap County, Washington, pursuant to RCW 35.21.730 through 35.21.757, and Ordinance No. _____ (“Ordinance”) adopted by the Board of County Commissioners on April 25, 2016. These Bylaws are subject to any limitations contained herein, the Ordinance, and the Charter of Kitsap 911.

II. POWERS AND DUTIES

Kitsap 911, through the Kitsap 911 Board of Directors, shall have final decision on all policy issues and shall exercise the powers and perform the duties as authorized by the Ordinance, the Charter, and as otherwise allowed by law.

III. BOARD OF DIRECTORS – COMPOSITION AND OPERATION

(A) Composition. The Kitsap 911 Board of Directors (“Board”) shall be composed of the directors as established in the Charter.

(B) Alternates. Each director of the Board (“Director”) may appoint an alternate to serve in the event of the Director’s unavailability. Each alternate may vote and act on behalf on the unavailable Director. The names of alternates shall be provided in writing to the Board.

(C) Conditions. All directors shall serve without compensation from Kitsap 911. A director may only serve for such time that they are the duly appointed, acting, or elected officer of its represented member agency.

IV. OFFICERS, ELECTION, TERMS, DUTIES

(A) The officers of the Board are a Chair and a Vice Chair. At the first meeting of each year, the officers shall be elected by the Board and shall serve through the end of the year and until the election of the new officers. The Chair and Vice Chair shall be from different member agencies.

(B) In the event there is a vacancy in the office of the Chair, the Vice Chair succeeds to the office of Chair for the unexpired portion of the term. In the event there is a vacancy in the office of Vice Chair, the Board will elect a new Vice Chair to serve the unexpired portion of the term. In the event both offices become vacant, the Board will elect a new Chair and Vice Chair to serve the unexpired portion of the terms.

(C) The Chair or Vice Chair may be removed, with or without cause, by super majority vote of the directors, after providing 30 days written notice to the person to be removed.

(D) Duties of the Chair:

(1) The Chair is a member of the Board, and presides at the meetings of the Board;

(2) Create, appoint, and discharge Board committees unless otherwise provided in these By-laws;

(3) Call for the vote on all motions properly presented and seconded;

(4) Enforce the procedural rules of the Board during meetings;

(5) Participate in deliberations of the Board;

(6) Vote in all matters before the Board;

- (7) Ensure that the functions of the Board are carried out to the best of his or her abilities;
 - (8) Make reports as necessary to the Board; and
 - (9) Execute, on behalf of Kitsap 911, all contracts, agreements, and other documents and papers duly authorized by the Kitsap 911 that may require signature.
- (E) The Vice Chair performs the duties of the Chair in the absence of the Chair.

V. MEETINGS, QUORUM, VOTING:

(A) Meetings. The Board shall meet not less than four (4) times per year, and at a time and place designated by Resolution of the Board. No notice of the regular meeting shall be required once they are established. Special meetings may be called by the Chair or a majority of the Board upon giving notice in compliance with RCW 42.30.080. In an emergency, the Board may dispense with written notice, but must, in good faith, use best efforts to provide fair and reasonable notice to all Directors. Directors may participate in meetings by telephone or video conference, or other comparable means. All Board meetings shall be subject to and comply with the Open Public Meetings Act, Chapter 42.30 RCW.

(B) Rules of Order. Robert’s Rules of Order shall be used as a guide to govern Board meetings. The Chair shall have the authority to make the final ruling on all issues of procedure.

(C) Quorum. At all meetings of the Board, a majority of the Directors then in office shall constitute a quorum.

(D) Voting. Each individual Director shall have one vote. Board decisions for approval require a vote of more than one-half of the votes cast when a quorum is present unless a super majority vote is required by these bylaws. A super majority vote requires at least two thirds of the votes cast when a quorum is present.

VI. EXECUTIVE COMMITTEE

(A) Powers and Duties. The Board may appoint the Kitsap 911 Executive Committee (“Executive Committee”) to exercise certain, limited authority and make such decisions that are necessary to ensure the efficient operation of Kitsap 911. However, the Board shall retain final decision making authority for matters concerning the following:

- (1) The annual Kitsap 911 Operations budget and funding, cost share distributions, the Enhanced 911 Tax Revenue Fund and Five Year Expenditure Plan, and the accumulated Kitsap 911 Capital Reserve Fund;
- (2) Amendments to these Bylaws;
- (3) Strategic Plan Adoption;
- (4) Appointment of the Kitsap 911 Executive Director (“Executive Director”);
- (5) Any other matter of major importance.

(B) Composition. The Executive Committee shall be composed of the following Committee Representatives (“Committee Members”):

- (1) One County representative, appointed by the Kitsap County Board of County Commissioners and the Kitsap County Sheriff;
- (2) One City of Bremerton representative, appointed by the Mayor of Bremerton;
- (3) One City representative, appointed by the Board members from the cities of Bainbridge Island, Port Orchard, and Poulsbo collectively;

- (4) One Fire Commissioner, appointed by the Kitsap County Fire Commissioners Association;
- (5) The Board Chair; and
- (6) The Chair and Vice Chair of the Kitsap 911 Strategic Advisory Board, as non-voting members of the Executive Committee.

(C) Alternates. The Executive Committee may designate another Committee Member as alternate to serve when a Committee Member is absent or unable to serve.

(D) Powers and Conditions. The Executive Committee shall make recommendations to the Board on matters reserved for Board action. The Executive Committee shall have and exercise its limited authority, as provided by the Board, to make such decisions as are necessary to ensure the efficient operation of Kitsap 911. These actions may include, but are not limited to the following:

- (1) Providing direction to and managing the performance of the Executive Director;
- (2) Authorizing budget amendments, including expenditures from the reserves;
- (3) Providing advice and recommendations to the Executive Director regarding labor agreements, staffing, or personnel issues; and
- (4) Providing recommendations to the Board of County Commissioners regarding excise tax levels and other such matters.

Draft Executive Committee meeting minutes will be distributed to the Board and any action taken by the Executive Committee shall be reported to the Board, at the Board's next regularly scheduled meeting, or at any special meeting convened for that purpose, and incorporated into the minutes thereof.

Committee Members shall serve without compensation from Kitsap 911.

(E) Officers. The Executive Committee shall have two officers, a Chair and Vice-Chair. The Chair shall preside at Executive Committee meetings. The Vice Chair will assume this role in the Chair's absence. At the first meeting of each year, the officers shall be elected by the Executive Committee and shall serve through the end of the year and until the election of the new officers. In the event of a vacancy of the Chair, the Vice Chair will serve the balance of the departed Chair's term. In the event of a vacancy of the Vice Chair, the Executive Committee will elect a new Vice Chair to serve the balance of the departed Vice Chair's term. In the event both offices become vacant, the Executive Committee will elect a new Chair and Vice Chair to serve the unexpired portion of the terms.

(F) Meetings. The Executive Committee shall meet at a time and a place designated by Resolution of the Executive Committee. No notice of the regular meeting shall be required once they are established. Special meetings may be called by the Chair or by a majority of the Executive Committee Members upon giving notice in compliance with RCW 42.30.080. In an emergency, the Executive Committee may dispense with written notice, but must, in good faith, use best efforts to provide fair and reasonable notice to all Committee Members. Committee Members may participate in meetings by telephone or video conference, or other comparable means. All Executive Committee meetings shall be subject to and comply with the Open Public Meetings Act, Chapter 42.30 RCW.

(G) Rules of Order. Robert's Rules of Order shall be used as a guide to govern Executive Committee meetings. The Chair shall have the authority to make the final ruling on all issues of procedure.

(H) Quorum. At all meetings of the Executive Committee, a majority of Committee Members then in office shall constitute a quorum.

(I) Voting. Each individual Committee Member shall have one vote. Executive Committee decisions for approval require a vote of more than one-half of the votes cast when a quorum is present.

VII. EXECUTIVE DIRECTOR

(A) Appointment. The Board is responsible for the appointment and termination of the Executive Director, and shall request a recommendation from the Executive Committee. The Executive Director shall have experience in technical, financial, and administrative fields and her or his appointment shall be on the basis of merit only. The Executive Director is at-will, serving at the pleasure and convenience of the Board.

(B) Authority and Duties. The Executive Director:

(1) shall be responsible to the Board, and shall advise the Board on the annual budget and amendments thereto and Kitsap 911 operating and personnel policies;

(2) shall administer Kitsap 911 in its day-to-day operations consistent with policies and directives of the Board;

(3) may appoint persons to fill positions, subject to Board authorization;

(4) unless previously approved in the adopted budget or amendments thereto, may approve contracts with third parties for goods, services, and equipment in amounts up to \$50,000.00. Contracts in excess of \$50,000.00 shall require Board approval; and

(5) may accept revenue (e.g., revenue contracts, grants, gifts) upon approval of the Executive Committee.

The Executive Director is not authorized to hire legal counsel or auditors without Executive Committee approval.

VIII. STRATEGIC ADVISORY BOARD

(A) Powers and Duties. The Board may appoint the Kitsap 911 Strategic Advisory Board (“SAB”) to advise the Board and Executive Director and exercise certain, limited authority as delegated.

(B) Composition. The SAB shall be composed of the Chief/Sheriff or designee from each participating law enforcement or fire agency (“SAB Members”).

(C) Duties. The SAB’s duties shall be defined by the Board and may include:

(1) Advising the Board on significant administrative issues and policies, staffing and service levels, and funding.

(2) Providing advice and recommendations to the Executive Director regarding budget proposals, operational procedures, and other matters related to day-to-day operations; and

(3) Any other duties delegated by the Board or Executive Committee.

(D) Officers. The SAB shall have two officers, a Chair and Vice-Chair, one of which shall be from fire service and the other from law enforcement. The Chair shall preside at SAB meetings. The Vice Chair will assume this role in the Chair’s absence. At the first meeting of each year, the officers shall be elected by the SAB and shall serve through the end of the year and until the election of the new officers. In the event of a vacancy of the Chair, the Vice Chair will serve the balance of the departed Chair’s term. In the event of a vacancy of the Vice Chair, the SAB will elect a new Vice Chair to serve the balance of the departed Vice Chair’s term. In

the event both offices become vacant, the SAB will elect a new Chair and Vice Chair to serve the unexpired portion of the terms.

(E) Meetings. The SAB's regular meetings shall be at Kitsap 911 at a time designated by a majority of the SAB Members. No notice of the regular meeting shall be required once they are established. Special meetings may be called by the Executive Director, Chair or any two SAB Members, giving all other SAB Members not less than twenty-four (24) hours advance written notice. In an emergency, the SAB may dispense with written notice, but must, in good faith, use best efforts to provide fair and reasonable notice to all SAB Members. SAB Members may participate in meetings by telephone or video conference, or other comparable means.

(F) Rules of Order. Robert's Rules of Order shall be used as a guide to govern SAB meetings. The Chair shall have the authority to make the final ruling on all issues of procedure.

(G) Quorum. At all meetings of the SAB, a majority of SAB Members shall constitute a quorum.

(H) Voting. Each individual SAB Member shall have one vote. SAB decisions for approval require a vote of more than one-half of the votes cast when a quorum is present.

IX. SERVICE AGREEMENTS

(A) Agreements. Service agreements with participating entities shall be entered into for the provision and funding of Kitsap 911 services as follows:

(1) The service fee formula for services shall be pursuant to Subsection B below for the following entities:

(a) Bainbridge Island Fire & Rescue, Central Kitsap Fire & Rescue, North Kitsap Fire & Rescue, Poulsbo Fire Department, and South Kitsap Fire & Rescue;

(b) The Cities of Bainbridge Island, Bremerton, Port Orchard, and Poulsbo;

(c) Kitsap County; and

(d) The Port Gamble S'Klallam Tribe, and the Suquamish Tribe.

(2) Kitsap 911 may enter into service agreements with other entities, not identified above, for services upon terms, conditions, and fees for services as established in the agreement.

(B) Service Fee Formula. The allocable proportion for each fire district, city, county, and tribe shall be computed as follows:

(1) Calculate the Total Base.

(a) Total Base = Number of Agencies X \$5,000

(2) Calculate the Total Console Share (the amount of the user share that needs to be split between police and fire).

(a) Total Console Share = Total Appropriations

(b) All other funding Sources – Total Base.

(3) Calculate the Police/Fire Split (Percentage of the Console Share paid for by police and by fire).

(a) Police Split = Number of Police Allocated Consoles / Total Number of Consoles.

(b) Fire Split = Number of Fire Allocated Consoles / Total Number of Consoles.

- (4) Calculate the Police/Fire Share (actual dollar amount paid for by police and by fire).
- (a) Police Share = Total Console Share X Police Split.
 - (b) Fire Share = Total Console Share X Fire Split.
- (5) Calculate the Units of Use.
- (a) Agency Units of Use= Average of the previous 3 full years of Agency's Units of Use, adjusted for annexations.
 - (b) Total (Police or Fire) Units of Use = Sum of each (Policy or Fire) Agency's Units of Use.
- (6) Calculate the Cost per (police and fire) Unit of Use.
- (a) Cost per Police Unit = Police Share / Total Police Units of Use.
 - (b) Cost per Fire Unit = Fire Share / Total Fire Units of Use.
- (7) Calculate Surcharges- Repeat Steps 4 through 6 as needed to calculate any Per Unit Surcharges.
- (a) Final Cost per Unit= Cost per Unit (from Step 6) + all per Unit Surcharges.
- (8) Calculate each Agency's Allocation.
- (a) Agency Allocation = (Agency Units of Use X Total Cost Per Unit)+ Base.

(C) Amendments to Service Fee Formula. The service fee formula set forth in Subsection B above may be amended by the Board by amending these bylaws pursuant to Section X below, which amendment shall require a super majority vote as defined in Section V(D) above. Sixty (60) days prior notice to the entities identified in Subsection B must be given before the Board can take action to amend the formula.

X. AMENDMENT OF BYLAWS

These Bylaws can be amended at any regular meeting of the Board, provided that these amendment(s) were submitted in writing at the previous regular Board meeting.

XI. SEVERABILITY

If any provision of these Bylaws or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of these Bylaws which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of these Bylaws are declared to be severable.

MOVED AND PASSED at a special meeting of the Kitsap 911 Board of Directors on May 3, 2016 of which all Directors were notified and a quorum was present.

KITSAP 911 BOARD OF DIRECTORS

DAVID ELLINGSON, CHAIR

ATTEST:

Richard A. Kirton, Executive Director

Kitsap 911 Public Authority

Resolution 2016-01

Establishing the Kitsap 911 Board of Directors Meeting schedule.

WHEREAS, on April 25, 2016 the Board of County Commissioners enacted an ordinance adopting chapter 2.110 of the Kitsap County code, creating the Kitsap 911 Public Authority; and

WHEREAS, the Kitsap 911 Charter established the Kitsap 911 Board of Directors; and

WHEREAS, the ordinance, charter, and bylaws require the board to meet regularly, but not less than four times a year; and

WHEREAS, meetings of the Kitsap 911 Board of Directors must comply with 42.30 RCW (the Open Public Meetings Act); and

WHEREAS, 42.30.070 RCW states “The governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body.

NOW, THEREFORE, BE IT RESOLVED by the Kitsap 911 Board of Directors as follows:

Section 1. Meeting Schedule. The following Kitsap 911 Board of Directors meeting schedule is adopted:

June 7, 2016 12:30 to 1:30 Regular Meeting at the Norm Dicks Government Center, Council Chambers

June 17, 2016 12:00 to 4:00 Work Study Session at Kitsap 911/CENCOM

July 5, 2016 12:30 to 1:30 Regular Meeting at the Norm Dicks Government Center, Council Chambers

October 4, 2016 12:30 to 1:30 Regular Meeting at the Norm Dicks Government Center, Council Chambers

January 3, 2017 12:30 to 1:30 Regular Meeting at the Norm Dicks Government Center, Council Chambers

MOVED AND PASSED at a special meeting of the Kitsap 911 Board of Directors on May 3, 2016 of which all Directors were notified and a quorum was present.

KITSAP 911 BOARD OF DIRECTORS

DAVID ELLINGSON, CHAIR

ATTEST:

Richard A. Kirton, Executive Director



RFQ/Proposals for Legal Services
(LEAVE FOR REQUISITION NUMBER)

Closing Date:

Description:

Request for Qualifications/Proposals for Legal Services

Purpose: Kitsap 911 is seeking a qualified attorney/firm to serve as General Counsel for Kitsap 911. Anticipated legal services include consultation to the Kitsap 911 Board of Directors and Executive Director/Staff regarding general legal issues, contract negotiations/review, labor relations, and collective bargaining.

Background: Kitsap 911 was originally created in 1973 as Kitsap County Central Communications, a department of Kitsap County, governed as a joint board through an Interlocal Agreement. Kitsap 911 was formed as a Public Authority under RCW 35.21.730 through RWC 35.21.759 on April ##, 2016. Kitsap 911 is governed by thirteen elected officials representing Kitsap County, the Cities of Bainbridge Island, Bremerton, Port Orchard and Poulsbo and the Kitsap County Fire Commissioners Association. Kitsap 911 provides 24 hour, 365-day coverage to the entire county for 911 call receiving services and dispatch and serves all of Kitsap County Fire Departments, Police Departments, Tribal Agencies, Kitsap County and others.

Qualifications:

- Each attorney in the proposed team must possess a Juris Doctorate degree and have graduated from a law school accredited by the American Bar Association.
- Each attorney in the proposed team must be a member in good standing of the Washington State Bar Association.

- The proposed designated Kitsap 911 attorney should have a minimum of five (5) years' experience providing legal advice related to labor relations, collective bargaining, and other general legal matters as an attorney to a county or local government (city, junior taxing or special purpose district).
- It is desirable that the designated attorney have extensive knowledge of federal and state statutes, case law, regulations and policies relevant to local government or 911 service. .
- It is desirable that the designated attorney or member of the proposed team have extensive knowledge of Washington's Public Records act and Open Public Meetings Act.

Scope of Services:

Legal Services specifically related to:

- Labor relations, including involvement in negotiation of the collective bargaining agreement,
- Provide legal advice related to public records retention and release,
- Prepare and review resolutions, contracts, leases and other documents as requested.
- Serve as general counsel to and protect the interests of Kitsap 911,
- Monthly consultation hours range from 4-16 hours/month.

Standards of Performance:

- Attorney agrees to be available to provide to Kitsap 911 up to 20 hours/month, if requested,
- Attorney will respond to telephone and email requests within 1 business day, but preferably the same day,
- Attorney agrees to meet in person as requested by Kitsap 911,
- Attorney will bill monthly for services provided. The monthly bill will include an itemized statement showing the date, duration, and nature of services provided to Kitsap 911 during the billing period.

Term: A contract will be issued for one year, with option to renew annually for an additional 4 years. A copy of a typical contract is available upon request.

Proposal Submittals:

Section 1: Name, address, phone number and email address of attorney to be assigned to account,

Section 2: Brief history of the firm's experience and knowledge, not to exceed two pages, single space.

Section 3: Contact information for three local government clients.

Section 4: Any limitation upon your ability to appear for day and evening meeting with adequate notice.

Section 5: Proposed hourly rate(s) to be charged and explanation of any difference in rates for telephone, email, and in-person consultation including disclosure regarding use of para-legal and rate charged for para-legal time.

Section 6: Any other relevant information.

Submission Deadline and Process: All proposals are due by DATE at TIME. Proposals received after the due date/time will not be considered.

Kitsap 911 reserves the right to reject any or all submittals, waive technicalities or irregularities and to accept any submissions if such action is believed to be in the best interest of Kitsap 911. This RFQ does not obligate Kitsap 911 to accept or contract for any expressed or implied services.

Kitsap 911 shall not be responsible for any costs incurred by the respondent(s) in preparing, submitting, or presenting its response to the RFQ or to the interview process. Responding firm (or group) shall bear all costs relating to their response to this RFQ including time in preparation of an RFQ, copies submitted, and time spent in interviews or negotiation with Kitsap 911 prior to final selections.

Two copies of the proposal must be mailed or delivered in person prior to the submission deadline to:

Kitsap 911

Attention: Legal Service RFQ

911 Carver Street

Bremerton, WA 98312

Questions and other communications about this RFQ should be directed to Stephanie Browning at sbrowning@co.kitsap.wa.us or by phone at (360) 307-5801.

CONSULTATION FEE AND CONTRACT

Upon selection, the fee and contract will be negotiated with the Director and is subject to final approval from the Kitsap 911 Board of Directors.

Kitsap 911 Public Authority

Resolution 2016-02

Recognizing the Kitsap County 911 Employees Guild.

WHEREAS, since 1991 certain governmental entities situated in Kitsap County have been a party (“Parties”) to an interlocal agreement establishing a joint board, known as Kitsap County Central Communications (CENCOM), providing for the joint and cooperative provision of 911 emergency communications services to citizens within the Parties’ respective jurisdictions; and

WHEREAS, since 1991, and subject to the oversight and consent of the Parties, the CENCOM Policy Board has been the overall governing authority of the joint and cooperative undertaking, establishing policy, systems, and programs for CENCOM’s operations, developing CENCOM’s annual budget, funding, and cost share distribution, and determining staffing levels and supervising the Cencom director; and

WHEREAS, since 1991, Kitsap County has served as the administrator for the Cencom joint board and as the employer of CENCOM staff; and

WHEREAS, the CENCOM Policy Board amended the Interlocal Agreement to allow for termination of the Interlocal agreement if certain conditions are met including the establishment of a Public Authority as authorized by RCW 32.21.730 through RCW 35.21.759 to provide a countywide enhanced 911 emergency communications system, and recognition of the collective bargaining representative for CENCOM employees existing on the date the public authority was established; and

WHEREAS, the Board of County Commissioners enacted Chapter 2.110 of the Kitsap County Code, creating the Kitsap 911 Public Authority; and

WHEREAS, since 2003 the Kitsap County 911 Employees Guild has been recognized by Kitsap County as the exclusive bargaining representative for the two bargaining units within CENCOM; and

NOW, THEREFORE, BE IT RESOLVED by the Kitsap 911 Board of Directors as follows:

Section 1. Recognition. The Kitsap 911 Board of Directors recognizes the Kitsap County 911 Employees Guild as the exclusive bargaining unit for the following bargaining units:

1. Regular full-time and regular part-time employees of Kitsap 911, excluding employees whose positions are covered by another bargaining unit, supervisors, managers, and confidential employees. (Including all Kitsap County CENCOM Employees covered by this bargaining unit, for example, employees within the

following classifications: Emergency Telecommunicator Trainee, Emergency Telecommunicator, Operations Support Technician, Office Assistant, Primary Call Receiver, Communications Center Tech, and Programmer Analyst.)

2. Regular full-time and regular part-time supervisory employees of Kitsap 911, excluding employees whose positions are covered by another bargaining unit, managers, and confidential employees. (Including all Kitsap County CENCOM Employees covered by this bargaining unit, for example, employees within the following classifications: Shift Supervisor, Assistant Supervisor, Data Systems Engineer, and Technical Systems Supervisor.)

Section 2. PERC. The Kitsap 911 Executive Director is hereby instructed to notify the Public Employment Relations Commission of this resolution and is authorized to take any steps required by PERC or otherwise necessary for implementation of this decision.

Section 3. Severability. If any provision of this Resolution or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Resolution which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Resolution are declared to be severable.

Section 4. Effective Date. This resolution shall become effective immediately upon adoption and signature as provided by law.

MOVED AND PASSED at a special meeting of the Kitsap 911 Board of Directors on May 3, 2016 of which all Directors were notified and a quorum was present

KITSAP 911 BOARD OF DIRECTORS

DAVID ELLINGSON, CHAIR

ATTEST:

Richard A. Kirton, Executive Director



CENCOM Policy Board Information Paper

Issue : Accounting Basis for Kitsap 911

Meeting Date: May 3, 2016

Action Requested: Authorize Kitsap 911 to use Cash Basis Accounting

Issue: State law allows local governments (including public authorities) to select either Cash Basis or Accrual (GAAP – Generally Accepted Accounting Principles) basis accounting.

Background: The BARS (Budgeting, Accounting and Reporting System) Manual prescribes accounting and reporting for local governments in accordance with [RCW 43.09.200](#). Its purpose is to provide:

- (1) Uniform accounting and financial reporting to allow for meaningful use and comparison of financial data;
- (2) Accounting and reporting instructions as a resource for local government managers; and
- (3) A consistent framework for financial reporting to intended users, including managers, governing bodies, granting and regulatory agencies, the state Legislature, and the general public.

There are many reasons why cash basis accounting is the best choice for Kitsap 911. Kitsap 911 is not a large or complicated entity. In Washington State, 80% of local governments are cash basis¹. Generally only the largest and most complex use GAAP.

- The current financial reports are presented in a cash basis format, so there would not be a confusing change in their presentation format. Cash basis consists of an income statement with no balance sheet.
- Under cash basis, assets do not have to be depreciated on the books, there is no need to accrue expenses at year-end, and there is no requirement to book prepaid expenses, there is no requirement to have an accounts receivable or an accounts payable.

¹ Kitsap County and all four cities are accrual basis; The fire districts and most other special purpose districts are cash basis. Poulsbo fire uses cash basis and they were recognized this year by the State Auditor's Office for their financial stewardship

- Additional reports, such as asset lists, including the life of the asset for replacement planning, small and attractive equipment tracking and a list of liabilities would be generated as additional annual report schedules and for internal tracking requirements.
- The 13th month is a possibility, but not a requirement, with cash basis accounting.
- Kitsap 911 has one very small state grant; there are no federal grants which dictate the necessity of accrual basis accounting and reporting.
- Accounting software for cash basis accounting is substantially less. (\$32K vs. \$76K-\$100K); and the annual maintenance is less as well (\$4K vs. \$12K).
- The annual reporting requirements are thorough for cash basis, yet much simpler than accrual basis accounting.
 - Cash basis does not require a conversion from modified accrual to full accrual.
 - Required supplementary information (RSI) is not required for cash basis.
 - Governmental Accounting Standards Board Statement 68 (Financial Reporting for Pensions) is simpler under cash basis.
- Existing staff will be able to handle the cash basis accounting tasks. For accrual basis, Kitsap 911 would need at a minimum, 1 to 1.5 additional FTE dedicated to accounting.
- The annual audit performed by the State Auditor's Office would be less costly.

Fiscal Impact:

Item	Cash Basis	Accrual Basis
Accounting Software (initial purchase)	\$32,000	\$76,000 to \$100,000
Accounting Software (annual maintenance)	\$4,000	\$12,000
Audit	\$18,600	\$23,250
Staff Requirements	1.5 FTE (current staffing)	3 FTE (+1.5 staff approx. \$102,000)
Annual Reports	26 staff hours	77 staff hours

Options: Authorize either Cash Basis or Accrual Basis Accounting

Recommendation: Authorize Cash Basis Accounting

Attachments: Email from Alexander Beherndt (Washington State Auditor's Office). Email from Scott Daniels (Kitsap Public Health District). Excerpt from BARS Manual (Washington State Auditor's Office).

Email from Alexander Beherndt, Washington State Auditor's Office to Robin King, Kitsap 911 on 4/1/2016 (emphasis added)

Thank you for reaching out to us with your questions ☺. Our office audits approximately 1,960 entities, of which, roughly [80%] report using the cash basis method (approximately 1,570). The only other 911 Communications District I'm aware of is Jefferson County 9-1-1 Communications. They report using the cash basis method, but have significantly less revenue than Kitsap County CENCOM 911. However, they are a newer entity who has undergone one audit so reaching out to them maybe useful.

I attached a document from our website which lists some of the pros and cons of GAAP and cash basis accounting, however I believe this is the document you referred to. The only pros I would have to add is audit costs are typically lower for cash basis entities and cash basis tends to be easier to comprehend. As a result, finding new employees and training them can be easier. Usually for GAAP reporting the entity would need to hire someone with a more comprehensive understanding of accounting principles and concepts. Also, our office would not require an entity to switch at a later date, and I'm not aware of any federal agencies which would require an entity to switch either. There are several Counties in the state which report using the cash basis method and they receive lots of federally funding and haven't been required or requested to switch accounting methods.

Some of the cons of reporting cash basis is in the eyes of the Federal Government entities who report using the cash basis are high risk. This means if they're required to have a federal audit 40% of federal expenditures would need to be audited as opposed to 20%. In addition, if an entity reports using the cash basis method they receive a disclaimer in their audit report for presentation in conformance with GAAP reporting. Our office has confirmed with bonding agencies and federal agencies the disclaimer will not affect bond ratings or future funding. We still issue an unmodified opinion on the presentation of the financial statements in conformance with the regulatory basis of accounting. An example of our opinion on the financial statement statements when reported on the cash basis method of accounting is attached.

The budget for an audit would depend on whether the District would like to be audited annually or biennially. Currently the District has a chose, however if the District receives more than \$10 million in revenues (excluding debt proceeds) they would be required to receive an annual audit. The budget for a biennial financial and accountability audit of the District would be roughly 200 hours using the cash basis method (\$18,600) and 250 hours using the GAAP method (\$23,250), this excludes travel costs. Since we have never audited the District these are rough estimates and may change based on risks identified in planning.

Hopefully I've answered all your questions. If you have any additional questions please don't hesitate to ask. Also, if you would like to discuss anything over the phone, please let me know and I can give you a call next week.

Thank you,

Alexander Beherndt

Email from Scott Daniels, Kitsap Public Health District to Richard Kirton, Ktsap 911 on 4/11/2016 (*emphasis added*)

Richard, there are several layers to this.

The State Auditor has been putting the following statement somewhat irritating statement in our annual audit, basically saying we are out of compliance with Generally Accepted Accounting Principles but in compliance with state rules. This is something proscribed by the AICPA (American Institute of CPAs) several years ago:

“We issued an unmodified opinion on the fair presentation of the District’s financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by Washington State statutes and the State Auditor’s *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP.”

Also irritating is the fact that under the new Ominbus rules (federal grants), we are no longer a low risk auditee if we continue with cash basis. This basically means the auditors will have to audit 40% of our federal grants instead of 25%. This became effective for the 2015 audit year, and may increase our audit costs somewhat.

Because of all this, the State Auditor is basically *indirectly* advising that we move to accrual-based accounting.

Additionally and maybe most importantly, we likely have different accounting needs than Cencom, primarily driven by our funding. Because we have lots of grants, getting all our vendors and subrecipients paid during the grant period is somewhat problematic. This is especially true at the end of the grant period when the vendor may not be able to get us the final invoice before the end of the grant and we risk not being able to bill the grant. Jurisdictions like Cencom, which are primarily funded by fees and taxes, don’t really have this issue, so cash basis accounting may be OK. Just not the optimal approach for us.

Our Finance Manager Tracey Kellogg is the best contact for this discussion. She indicates she’s spoken with your finance person about this. Let us know if you have additional questions!

Scott Daniels, MS | Administrator
Kitsap Public Health District
345 6th Street, Suite 300
Bremerton, WA 98337-1866
360-337-5287 Office | 360-620-1876 Cell | 360-475-9287 Fax
kitsapublichealth.org

Excerpt from Washington State BARS Manual (Chapter 4- Reporting) (*emphasis added*)

4.1 Reporting Principles and Requirements

4.1.7 GAAP versus Cash Basis Reporting

4.1.7.10 Approximately 20 percent of local governments – the largest and most complex in the state – report financial information in accordance with generally accepted accounting principles (GAAP). All other local governments report on a cash basis as prescribed in the *Budgeting, Accounting, and Reporting System (BARS) Manuals*.

4.1.7.20 Under authority of RCW 43.09.200, the Washington State Auditor’s Office allows local governments the option to report on either a GAAP or cash basis. However, while the State Auditor’s Office does not require reporting on a GAAP basis, it may be a requirement of federal grants, bonds, contracts, or other oversight agencies.

4.1.7.30 As discussed in the BARS Manuals, the design of a government’s accounting system and controls for financial reporting is a management decision – including the selection of the basis of reporting. *Adequate accountability, oversight and control can be achieved whether reporting on a cash or GAAP basis.*

4.1.7.40 The most appropriate basis of reporting for a particular government is a matter of judgment based on the needs, activity and resources of that government. Each method has advantages and disadvantages. We recommend that governments carefully consider the costs versus benefits. To assist governments in this decision, a summary of common benefits and drawbacks of different reporting options is provided below.

4.1.7.50 GAAP Basis Reporting

Advantages	Disadvantages
<ul style="list-style-type: none"> • Financial reports that are more comprehensive, sophisticated and potentially informative • Improved ability to evaluate government’s financial position and changes in its net position • Consistent with nationally recognized financial reporting standards • More familiar to external users • May be required by grantors or oversight agencies 	<ul style="list-style-type: none"> • May be more difficult to understand and use for managers or governing bodies who are unfamiliar with accrual concepts and terminology • Requires more qualified staff, a more complex accounting system, and more time devoted to preparation and controls over financial reporting • More costly financial reporting • May need to reconcile between multiple basis of accounting for financial reporting and operational purposes

4.1.7.50 Cash Basis Reporting

Advantages	Disadvantages
<ul style="list-style-type: none"> • Financial reports that are more simple and easier to understand and use • Clear presentation of cash flows and available cash • Financial reporting that is aligned with budgets • Financial reporting may be less costly • Less training required for staff 	<ul style="list-style-type: none"> • Statements are focused on short-term rather than long-term financial position • Less information on non-cash assets, including infrastructure, and changes in these assets • Less information on liabilities and changes in liabilities • May not be as familiar to external user

1.0 PURPOSE:

It is the policy of Kitsap 911 to establish uniform, efficient, and competitive bidding, purchasing, and other procurement policies consistent with State law, and to ensure that all public procurement is executed and managed at the highest professional and ethical standard and to achieve the greatest attainable levels of quality and value permitted by law. The principles of Transparency, Stewardship, Responsibility, Accountability, and Public Value will drive all purchasing and contracting decisions.

2.0 REFERENCES:

RCW §§ 9.18.120, 9.18.150, 18.08, 18.43, 18.96, 39.04, 39.08, 39.12, 39.32, 39.33, 39.80, 43.19A and 60.28.

CALEA Standards: 2.4.4

Kitsap 911 Ordinance, Charter, and Bylaws

3.0 DEFINITIONS:

A/E Professional Services: Architect / Engineer Services rendered by a consultant or any person, other than an employee of the agency, contracting to perform activities within the scope of the general definition of professional practice in RCW 18.08 (Architects), RCW 18.43 (Engineers and Land Surveyors) or RCW 18.96 (Landscape Architects).

Contract: An agreement between Kitsap 911 and one or more entities enforceable by law.

Change: Any change, supplement, amendment, alteration or addendum to an existing Contract.

Emergency: Unforeseen circumstances beyond the control of Kitsap 911 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.

Public Work: Public Work means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at Kitsap 911's cost, and as further defined in RCW 39.04.010. Ordinary maintenance, in the context of Public Works contracts and prevailing wages, is defined as work that is not performed by contract and that is performed on a regularly scheduled basis not less frequently than once per year to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.

Request for Proposals (RFP): Solicitation of proposals for professional services, or

equipment, materials or supplies not associated with a Public Work.

Request for Statement of Qualifications (SOQ): Solicitation of statements of qualifications for a certain project or to establish an Architect and Engineering services roster.

Services: Services rendered by a consultant or any person, other than an employee of the agency and other than A&E Services or services that would constitute a Public Work.

Taxes: All amounts and thresholds contained herein shall be inclusive of applicable sales and use taxes at the time of soliciting for bids/proposals.

4.0 PURCHASING ETHICS

Employees involved in any aspect of purchasing goods and services for Kitsap 911 will adhere to the Purchasing Code of Ethics:

- Obtain maximum value for each dollar spent,
- Decline personal favors, gifts, and gratuities,
- Grant all potential suppliers fair and equal consideration,
- Conduct business with potential and current suppliers in an atmosphere of good faith,
- Demand honesty in sales representation,
- Foster fair, ethical, and legal business practices,
- Protect Kitsap 911's interest by ensuring suppliers honor all terms of their contract.

4.1 CONFLICT OF INTEREST

- A. Employees will immediately disclose any potential conflicts of interest to the Executive Director. If the Executive Director finds that a conflict of interest exists the Executive Director will take such action as is necessary to resolve the conflict.
 - a. In the event of a potential conflict of interest on the part of the Executive Director, Deputy Director, or Finance Manager, the potential conflict and plan for resolving the conflict will be reported to the Executive Committee.

5.0 PROCUREMENT PROCEDURES

5.1 SERVICES (GENERAL)

- A. Kitsap 911 may procure Services using the method that it determines will provide the greatest attainable levels of quality and value, including through direct negotiation and contract.

- B. This Section does not apply to A&E Professional Services, which are governed by the requirements in Section 5.2.
- C. This Section does not apply to services that would constitute a Public Work, which are governed by the requirements in Section 5.4.

5.2 A&E PROFESSIONAL SERVICES

- A. **Publication:** Kitsap 911 must publish, or otherwise announce to the general public, its requirement for A&E Professional Services. Kitsap 911 staff may comply with this requirement by:
 - 1. Publishing, in advance, notice for a project requiring A&E Professional Services in the manner outlined in this policy for competitive bids; or
 - 2. Annually announcing to the public Kitsap 911's projected requirements for any category or type of A&E Professional Service, and requesting that interested consultants submit statements of qualifications and performance data. At its discretion, Kitsap 911 may add architectural, engineering, or other consultants to its annual roster throughout the year so long as those consultants have submitted statements of qualifications and performance data. Kitsap 911 may also use architectural, engineering, or other consultants on any owner city roster.
- B. **Advertising:** All Requests for Statements of Qualifications shall be published in advance, concisely stating the general scope and nature of the project or work for which services are required; and providing the name, telephone number and e-mail of a staff contact who can provide additional details.
- C. **Evaluation of Qualifications:** Following receipt of statement of qualifications, Kitsap 911 shall evaluate the qualifications and performance data along with any information submitted regarding a proposed project. Following evaluation of the written proposals and other relevant information, Kitsap 911 may perform oral interviews with the firms rated the highest.
- D. **Selection:** Kitsap 911 shall select the firm most qualified to provide the required A&E Professional Services. The price or cost of the service may not be considered by Kitsap 911 when determining which firm is the most qualified. After selection, Kitsap 911 may negotiate a contract for the services at a price that it determines is fair and reasonable, considering the estimated value of the services to be rendered, as well as the scope and complexity of the project. If a satisfactory contract cannot be negotiated,

Kitsap 911 shall formally terminate the negotiations with that firm and attempt to negotiate a contract with the next most qualified firm. The process continues until an agreement is reached or the search is terminated.

5.3 NON-PUBLIC WORK MATERIALS, SUPPLIES OR EQUIPMENT

A. General Process and Authorization:

- 1. Under \$30,000.** Kitsap 911 shall procure materials, supplies and equipment valued at less than \$30,000, excluding shipping and taxes, using the method that it determines will provide the greatest attainable levels of quality and value, including through direct negotiation and contract.
- 2. Between \$30,000 and \$60,000.** For materials, supplies and equipment with an estimated value of more than \$30,000 but less than \$60,000, Kitsap 911 shall attempt to solicit and document at least three (3) verbal quotations for the contract.
- 3. Between \$60,000 and \$100,000.** For materials, supplies and equipment with an estimated value of more than \$50,000 but less than \$100,000, Kitsap 911 shall attempt to solicit and document at least three (3) written quotations for the contract. For regularly made purchases, a list of comparable quotes may be maintained and updated annually, and purchases may be made from that list without soliciting bids or quotes for each purchase.
- 4. More than \$100,000.** Kitsap 911 shall procure materials, and equipment with an estimated value of \$100,000 or more using a competitive procurement method, including but not limited to issuance of an RFP.

5.4 PUBLIC WORKS

A. GENERAL LIMITS AND PROCESS (NON-SMALL WORKS ROSTER).

- 1. Under \$10,000.** Kitsap 911 shall procure Public Works projects estimated to cost less than \$10,000 using the method that it determines will provide the greatest attainable levels of quality and value, including through direct negotiation and contract.
- 2. \$10,000 to \$40,000 (Single Trade).** Where the project involves a single craft or trade, Kitsap 911 shall procure Public Works projects estimated to cost from \$10,000 to \$40,000 using the method that it determines will provide the greatest

attainable levels of quality and value. Where feasible, Kitsap 911 shall obtain at least three quotes for the project, although it is not obligated to award the Contract solely on price. In every case, Kitsap 911 shall award the work to the supplier based on the best value to Kitsap 911.

3. **\$10,000 to \$50,000 (Multiple Trades).** Where the project involves multiple crafts or trades, Kitsap 911 shall procure Public Works projects estimated to cost from \$10,000 to \$50,000 using the method that it determines will provide the greatest attainable levels of quality and value. Where feasible, Kitsap 911 shall obtain at least three quotes for the project, although it is not obligated to award the Contract solely on price.
4. **\$40,000 or More (Single Trade) / \$50,000 or More (Multiple Trades).** For Public Works projects estimated to cost \$40,000 or more (where the project involves a single craft or trade), or \$50,000 or more (where the project involves multiple crafts or trades), Kitsap 911 shall follow the bid procedures of RCW 35.23.352 and Chapter 39.04 RCW, as follows:

Kitsap 911 shall publish notice, at least one (1) time, and at least thirteen (13) days prior to the last date upon which bids will be received, calling for sealed bids. Publication of this notice should be in a newspaper of general circulation. The notice shall generally state the nature of the contemplated Public Work or improvement project, including a description or specifications, and it shall require that the bids be sealed and filed with Kitsap 911 within the time for submittal specified in the notice.

Kitsap 911 may also include supplemental bidder responsibility criteria in the invitation to bid or in the bidding documents.

Kitsap 911 shall not only evaluate the responsibility requirements provided within RCW 39.04.350, but also all other supplemental bidder responsibility criteria applicable to a particular project. Kitsap 911 may award the bid to the lowest responsive and responsible bidder.

B. SMALL WORKS: ALTERNATIVE PUBLIC WORKS PROCEDURE.

1. **General.** Kitsap 911 may, as an *alternative* to the procedures established by Section 5.4.A, use the small works roster process where the estimated Contract amount for a Public Works project is \$300,000 or less.

- 2. Authorization.** The Kitsap 911 Board or Directors finds that the small works roster provisions set forth in RCW 39.04.155 would provide an efficient process for the award and construction of small Public Works projects for Kitsap 911. The Kitsap 911 Board of Directors therefore authorizes staff to establish a small works roster procedure for Public Works contracts pursuant to RCWs 35A.40.210, 35.23.352, and 39.04.155.
- 3. Authorization amounts.** For Public Works projects under \$35,000, Kitsap 911 shall attempt to obtain three written quotes from the small works. For Public Works projects between \$35,000 and \$150,000, Kitsap 911 shall attempt to obtain five written quotes from the small works roster. For projects over \$150,000, the entire roster must be notified.
- 4. Contractors listed on small works roster.** The small works roster shall consist of all responsible contractors who have requested to be on the roster and, where required by law, are properly licensed or registered to perform such work in the State of Washington. As may be requested by Kitsap 911, contractors desiring to be placed on a roster must keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with Kitsap 911.
- 5. Publication.** Kitsap 911 may use the small works roster of Kitsap County or any of the cities or fire districts located within the boundaries of Kitsap County, the roster promulgated by the Municipal Research Services Center, or its own established roster on a per project basis. If Kitsap 911 elects to establish its own small works roster procedure for Public Works contracts, it shall publish at least once a year a notice of the existence of the roster and solicit the names of contractors for such roster in a newspaper of general circulation within the jurisdiction. Responsible contractors shall be added to a roster if they submit a written request and any records requested by Kitsap 911.
- 6. Electronic rosters.** If Kitsap 911 wishes to maintain its own rosters or use rosters maintained by other agencies, it shall keep the roster on file in paper and/or electronic format.
- 7. Telephone or written quotations.** Kitsap 911 shall obtain telephone, written, or electronic quotations for Public Works contracts from contractors on the small works roster to assure that a competitive price is established and to award contracts to the lowest responsible bidder, as defined in RCW 39.04.010 and RCW 39.04.350, as follows:

- a. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation.
 - b. Kitsap 911 may not favor certain contractors on the small works roster over other contractors on the small works roster who perform similar services. At the time bids are solicited, Kitsap 911's representative shall not inform a contractor of the terms or amount of any other contractor's bid for the same project.
 - c. A written record shall be made by Kitsap 911 of each contractor's bid on the project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotes obtained shall be recorded, open to public inspection, and available by telephone or e-mail inquiry.
- 8. Determining lowest responsible bidder.** Kitsap 911 shall award the contract for the Public Works project to the lowest responsible bidder on the small works roster provided that, whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and Kitsap 911 may call for new bids under the small works roster. A responsible bidder will be a contractor who meets the mandatory requirements of RCW 39.04.350(1) and any supplemental bidder responsibility criteria established for the project under RCW 39.04.350(2).
- 9. Award.** All of the telephone bids or quotes shall be collected and presented at the same time to Kitsap 911 for consideration, determination of the lowest responsible bidder, and award of the contract.

5.5 TELECOMMUNICATIONS EQUIPMENT

- A. Authority.** Kitsap 911 may purchase telecommunications and data processing equipment or software pursuant to the RCW 39.04.270 "competitive negotiation" process.
- B. Process.** Kitsap 911 shall publish a request for proposals (RFP) in a newspaper of general circulation at least 13 days before the last date on which the proposals will be received.
- C. Content.** The RFP shall identify significant evaluation factors, including price, and

their relative importance. Kitsap 911 shall provide reasonable procedures for technical evaluation of the proposals, identification of qualified sources, and selection for awarding the contract.

- D. Award.** Kitsap 911 shall make the award to the qualified bidder whose proposal is most advantageous to Kitsap 911. Kitsap 911 may reject all proposals for good cause and request new proposals.

5.6 OTHER PUBLIC WORKS REQUIREMENTS.

- A. Bid Bond:** For contracts awarded through the small works process, a bid bond is optional. For contracts awarded through a competitive bidding process that are under \$100,000, bid bonds will not be required unless special circumstances cause Kitsap 911 to require one; for contracts of \$100,000 or more, a bid bond of not less than 5% shall be required.

- B. Payment and Performance Bond and Retainage Requirements:** Payment and Performance bonds in an amount of at least 100% of the Contract are required in addition to a retainage of not more than 5% of moneys earned by the contractor for the purpose of completion of projects and fulfillment of claims and liens, regardless of whether such contract is subject to an exemption to the competitive bidding requirements as provided by Section 4.7.

For contracts \$35,000 or less, at the option of contractor, Kitsap 911 may waive the requirement for a payment and performance bond (but not retainage) and instead retain fifty percent (50%) of the contract amount for a period of forty-five (45) days after final acceptance of the work or until receipt of all necessary releases from the Departments of Revenue, Labor and Industries, and Employment Security and settlement of any liens filed under RCW 60.28, whichever time period is greater.

- C. Prevailing Wage:** Kitsap 911 shall require contractors to pay prevailing wages on all Public Works contracts, regardless of whether such contract is subject to an exemption to the competitive bidding requirements as provided by Section 4.7. A “Statement of Intent to Pay Prevailing Wages” must be received from a contractor before any payment is made, and an “Affidavit of Wages Paid” must be received following final acceptance of the work; however, for contracts under \$35,000 using the Small Works Roster process, the combined Intent and Affidavit is allowed.
- D. Public Works Contracts over \$1 million:** Every bidder for a Public Works contract of over \$1 million must submit (either with the bid or within one hour of the bid submittal time) the names of all subcontractors that will be used for heating, ventilation

and air conditioning, plumbing, and electrical work.

5.7 EXCEPTIONS TO BIDDING REQUIREMENTS.

In accordance with RCW 39.04.280 The competitive bidding requirements set forth in Sections 5.1 to 5.5 of this policy shall not apply to the situations described in this Section.

A. Sole Source / Special Market Conditions. The Executive Director may waive the bidding requirements upon a finding that either:

1. The procurement is clearly and legitimately limited to a single source of supply; or
2. The procurement is subject to special market conditions or involves special facilities or services.

If a waiver is appropriate, staff shall prepare a memo for the Executive Director outlining the reasons for the requested waiver. If the Executive Director authorizes the waiver, the purchase may be completed by direct negotiation. The memo evidencing the waiver granted by the Executive Director shall be maintained with the contract.

B. Emergency. When any emergency requires the immediate procurement, execution of any contract, or any change order or amendment to an existing contract, the Executive Director shall have the power to make and enter into that contract, change order, or amendment without strict compliance to either the bidding or the contract approval requirements set forth in this section. The Executive Director shall issue a written basis for the emergency determination no later than two weeks following award of the contract and file the written opinion with Kitsap 911.

C. Health care and investment contracts. Contracts entered into by Kitsap 911 to provide employee health care insurance coverage or to provide employee investment services may be entered into through direct negotiations with Kitsap 911 and are not required to follow the competitive bidding requirements provided for in this policy.

D. Interagency agreements. Kitsap 911 may purchase non-A/E Services, equipment, supplies, materials and other property from other state or municipal entities, including but not limited to the Office of State Procurement (OSP) of the Washington Department of Enterprise Services, without being subject to the bidding requirements of this policy. Kitsap 911 shall ensure prior to such purchase that the contract for equipment, supplies, materials and other property was procured in a manner consistent with this Purchasing and Contracting policy, including all competitive bid requirements. For all such purchases, Kitsap 911 shall enter into an agreement with the entity authorizing such

purchase or purchases.

- E. Federal agencies / contracts.** Kitsap 911 may purchase non-A/E Services, equipment, supplies, materials, and other property from a federal agency (including GSA) without going through the additional processes described in this policy. Kitsap 911 shall pass a resolution to authorize purchasing from a federal agency or through a federal government contract.
- F. Auctions.** Kitsap 911 may purchase supplies, equipment, or materials at auctions conducted by the United States government or any of its agencies, or by the State of Washington and any of its political subdivisions, without being subject to the bidding requirements of this policy.
- G. Recycled products.** Nothing in this policy shall prohibit Kitsap 911 from preferentially purchasing products made from recycled materials or products that may be recycled or reused, pursuant to Chapter 43.19A RCW.

5.8 CHANGES TO CONTRACTS

- A. Change Order.** All material Changes to Contracts are required to be memorialized in writing in a change order or other equivalent document.
- B. Bid Requirement.** Bids are not required when unforeseen extra work becomes necessary under a valid preexisting contract. However, a change in scope and purposes deviating substantially from the original plans so as to constitute a new undertaking shall be reviewed by Kitsap 911 counsel to determine whether it constitutes a separate project and whether the change requires a separate contract process.
- C. Minor Changes.** The Executive Director may delegate to the Deputy Director or any manager other than the finance manager the authority to sign the following contract change orders or amendments, subject to terms and conditions acceptable to the designee:
 - 1.** Change orders or contract amendments that involve only an extension of time for the contractor to perform.
 - 2.** Individual change orders or contract amendments that do not exceed the original contract amount by more than twenty-five thousand dollars (\$25,000), if sufficient funds remain in the approved project budget to pay the change order or amendment amount.

3. All change orders or contract amendments that do not cumulatively exceed twenty percent (20%) of the original contract amount, if sufficient funds remain in the approved project budget to pay the change order or amendment amount.
- D. Major Changes.** Any change order or amendments that exceed the amounts above must be signed by the Executive Director. If the Executive Director or Deputy Director are unavailable to execute the change order, and if a Kitsap 911 manager determines that an emergency exists that requires immediate approval of the change order or amendment, the manager may execute the change order or amendment and must subsequently inform the Executive Director as soon as practicably possible.

6.0 OTHER PROVISIONS

- A. Real Property Interests.** The Kitsap 911 Board of Directors specifically authorizes the Executive Director to do the following:
1. To acquire and convey property interests by lease.
 2. To enter into all lease agreements where Kitsap 911 is the lessor.
- B. Surplus property.** Except for real property, or utility equipment and property as provided for in RCW 35.94.040, or property that is sold to another governmental entity that is valued over fifty thousand dollars (\$50,000), as provided for in RCW 39.33.020, the Executive Director is authorized to surplus equipment or property the Executive Director determines is surplus to Kitsap 911's needs, and the Executive Director dispose of such surplus equipment or property in such a way to secure the best interests of Kitsap 911.
- C. Contract Signing.** The Kitsap 911 Board of Directors specifically authorizes the following:
- a. The Chair of the Kitsap 911 Board of Directors, Executive Committee, or Finance Committee may sign any contract awarded under this policy.
 - b. The Executive Director is authorized to sign any contract, purchase, or rental agreement approved in the adopted budget or amendments thereto, as well as any contract, purchase, or rental agreement for less than \$50,000 awarded in accordance with this policy and the Kitsap 911 General Fiscal Policy.
 - i. The Executive Director may delegate the authority to sign budgeted contracts under \$10,000.00 to any Kitsap 911 manager other than the Finance Manager.
 - ii. The Executive Director may delegate the authority to sign budgeted contracts under \$30,000 to the Deputy Director.

