Procurement 101 Training

Washington Department of Health
Drinking Water State Revolving Fund (DWSRF)

June 2025

Loan Recipient Responsibility

"Borrowers are responsible for compliance with all the rules and guidelines as required by the DWSRF Program as enacted in the laws."

DWSRF Loan Customer Handbook

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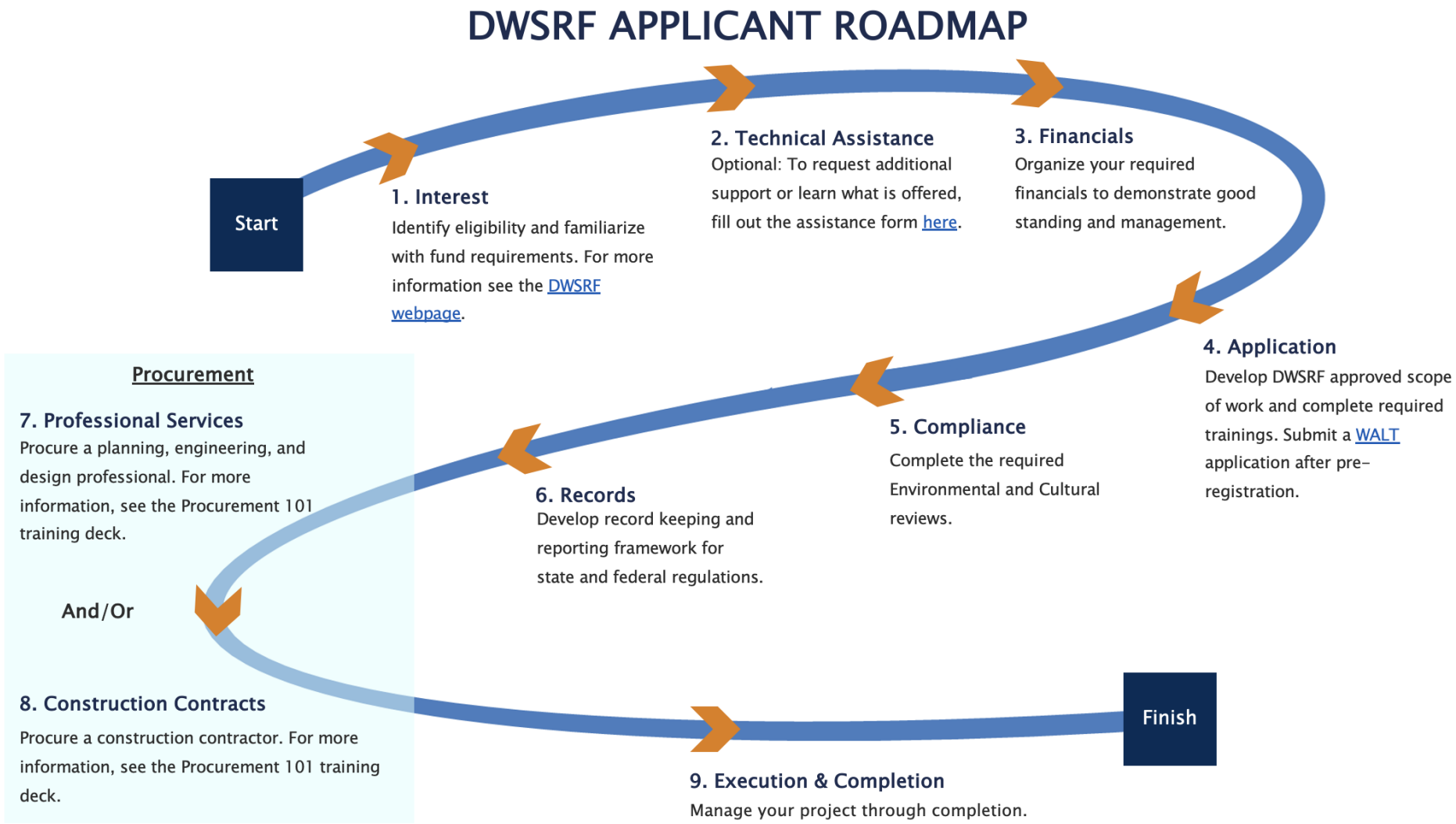
Procurement Roadmap



Interest

Identify eligibility and familiarize yourself with funding requirements. For more information, see the DWSRF webpage.

DWSRF Applicant Checklist: Section 1

Washington Laws and Executive Orders

The following laws and executive orders establish the Department of Enterprise Services and how the enterprise purchases goods and services. These may not be applicable to your funding request. Please check with your DWSRF contact to be sure:

- RCW 43.19 - Department of Enterprise Services
- WAC 00-300, 200-305, and 200-320 Department of Enterprise Services Creation, Roles, and Authority of DES
- RCW 39.26.050 Procurement of Goods and Services
- RCW 39.26.080 Procurement Policy: Director's Responsibility and Authority
- Executive Order: Equity in Public Contracting
- Executive Order: State Efficiency and Environmental Performance
- Executive Order: Supporting Workers' Rights to Effectively Address Workplace Violations
- Additional Federal and State Requirements

Types of Procurements

Primary Source Selection	Definition
Invitation for Bids (IFB)	Used to solicit competitive sealed bid responses.
Request for Proposal (RFP)	Used to solicit proposals from potential providers for goods and services where decision is made through discussions and negotiations.
Small Purchases	Used when the project will not exceed $250,000. Not able to be used to procure engineering or architectural services.

National Association of State Procurement Officials (NASPO) Procurement Toolbox: Solicitation Methods

Resources

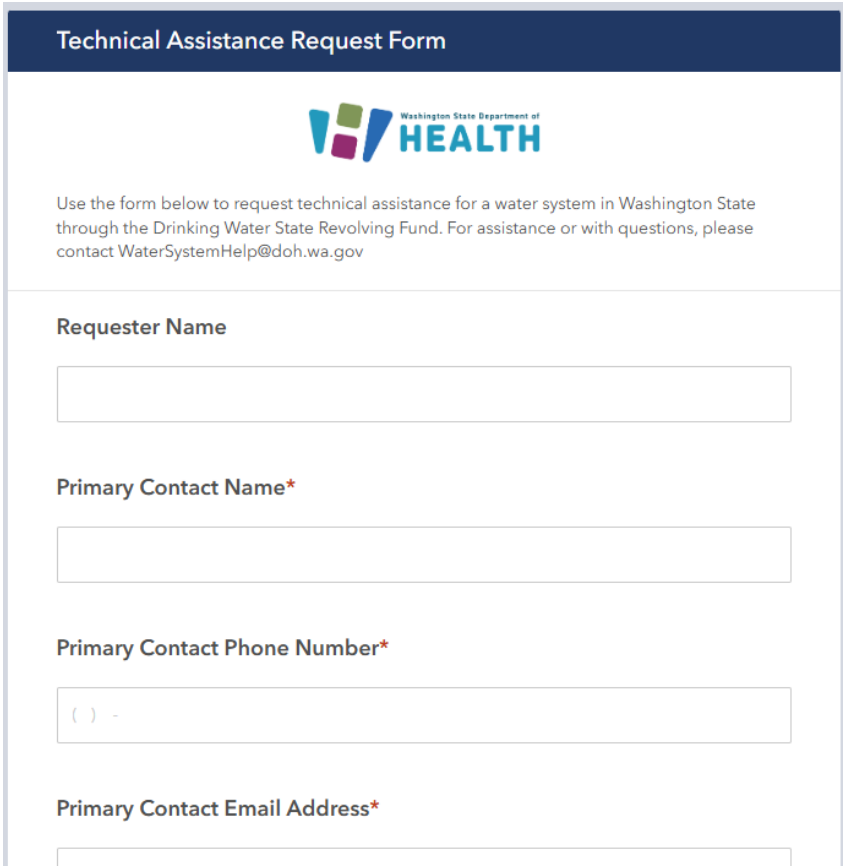
- DWSRF Applicant Checklist
- NASPO Procurement Toolbox: Solicitation Methods

Technical Assistance

Optional: To request additional support or learn what is offered, fill out the technical assistance request form.

DWSRF Applicant Checklist: Section 2

Technical Assistance Request Form



You can also request assistance or ask questions via WaterSystemHelp@doh.wa.gov.

Resources

- DWSRF Applicant Checklist
- Technical Assistance Request Form

Financials

Identify and organize all necessary financials required to demonstrate good standing and management.

DWSRF Applicant Checklist: Section 3

Financial: Internal Control

- Designate one person as fiscal coordinator of the DWSRF loan.
- Have effective internal controls, including:

Policies and practices	Bonding staff	Clear roles and responsibilities	Separate duties

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Financial Management

- Dedicated Repayment Account
- Audit
- Reimbursement for Preconstruction Activities
- Preconstruction Requirements
- Requesting Reimbursement
- Final Reimbursement Request
- Indirect Costs

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Contract Costs

- Nonrefundable 1.0% loan service fee
- Potential eligibility for reimbursement post contract award

DWSRF 2024 Construction and Lead Service Line Project Funding Guidelines

Resources

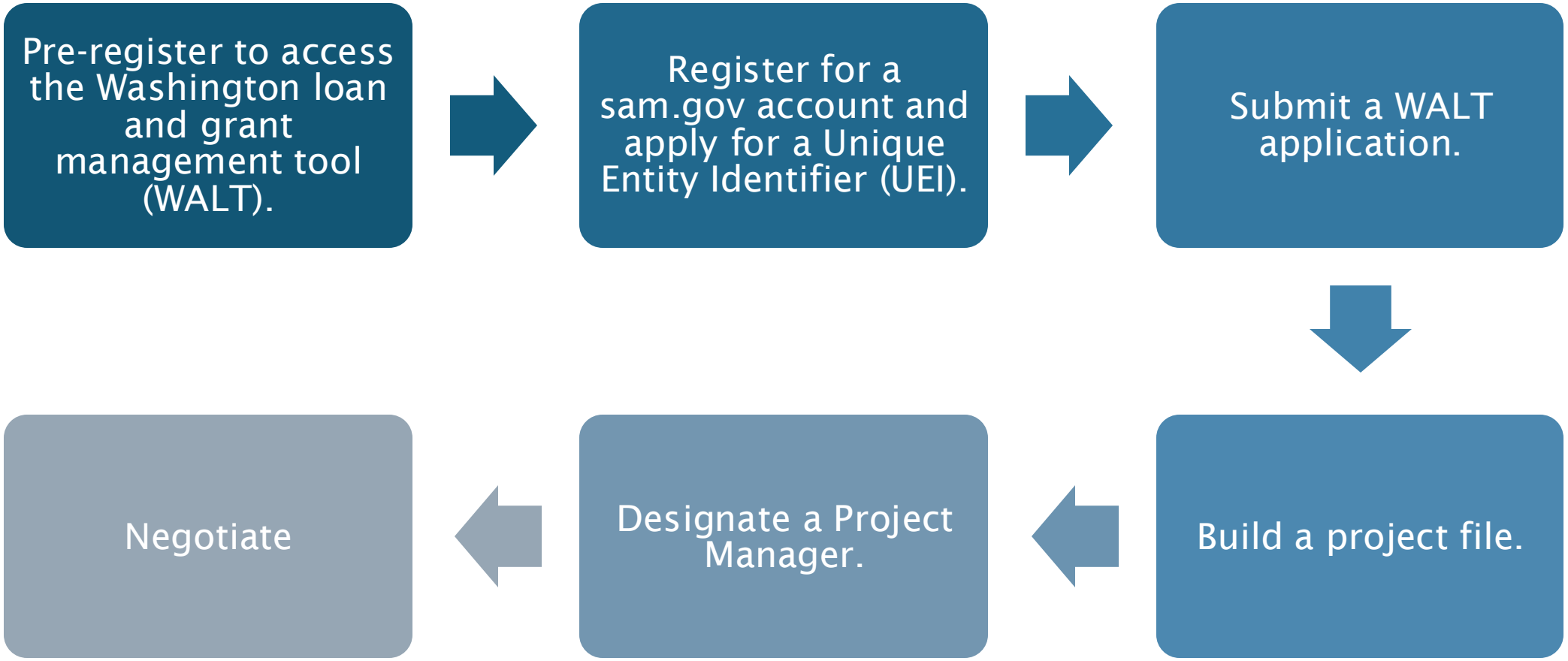
- DWSRF Applicant Checklist
- DWSRF Loan Customer Handbook: June 2024
- DWSRF 2024 Construction and Lead Service Line Project Funding Guidelines

Application

Develop DWSRF-approved scope of work and complete required trainings.

DWSRF Applicant Checklist: Section 4

Application Steps



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Negotiation Process

Successful negotiations can improve quality, delivery, and cost.

Do	Don't
· Confirm criteria · Prioritize and identify · Negotiate on an even basis · Identify alternative criteria · Role play scenarios · Come to agreement · Get agreements in writing	· Take proposals at face value · Set unrealistic goals · Underestimate knowledge · Negotiate beyond the scope · Assume understanding · Disagree with team members · Make concessions · Accept verbal explanations

NASPO Procurement Toolbox: The Value of Negotiations

Resources

- DWSRF Applicant Checklist
- NASPO Procurement Toolbox: The Value of Negotiations
- DWSRF Loan Customer Handbook: June 2024

Compliance

Complete the required Environmental and Cultural reviews.

DWSRF Applicant Checklist: Section 5

Environmental and Cultural Reviews

SERP	• State Environmental Review Process
Section 106	• National Historic Preservation Act

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Environmental and Cultural Reviews

- All federally funded projects must go through an environmental and cultural review, which identify and analyze potential impacts a project may have on environmental, historical, and cultural resources.

- Borrowers cannot begin any preconstruction ground-disturbing activities until both SERP and 106 are complete and DOH sends a final completion letter.

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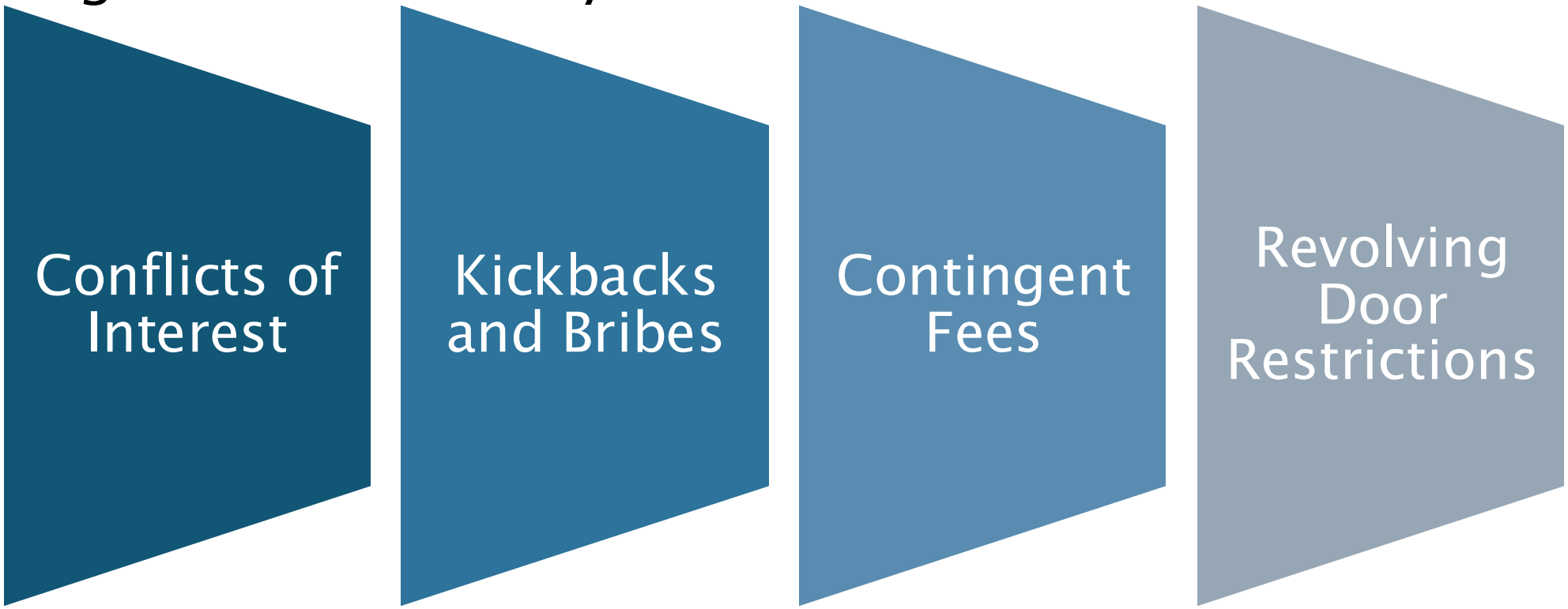
Ethical Procurement

It is important to be ethical during the procurement process. Ethical procurement ensures fairness, accountability, and transparency in the use of public funds.

NASPO Procurement Toolbox: Importance of Ethical Procurement

Unethical Behavior

Several types of unethical behavior can be seen in public procurement. It is important for you to be able to recognize these if they occur:



NASPO Procurement Toolbox: Importance of Ethical Procurement

Dealing with Unethical Behavior

If you recognize any of the unethical behaviors, you can employ the following strategies:

- Report suspicious behavior to your DWSRF Contract Manager
- Be sure you and your contractor are following the terms of your contract
- Promote transparency in the procurement process

NASPO Procurement Toolbox: Importance of Ethical Procurement

Resources

- DWSRF Applicant Checklist
- NASPO Procurement Toolbox: Importance of Ethical Procurement
- DWSRF Loan Customer Handbook: June 2024

Records

Develop record keeping and reporting framework for state and federal regulations.

DWSRF Applicant Checklist: Section 6

Contract File

Your Contract File should include:

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Contract Monitoring

Monitoring Performance

- The scope of work will guide your monitoring and evaluation of contractor performance
- The contractor should submit monthly status reports

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NASPO Procurement Toolbox: Contract Administration

Contract Monitoring

Record Keeping and Reporting

Keep records on:

- The procurement method you chose and why
- The type of contract you chose
- Your reasons for selecting or rejecting bidders
- The basis for the contract cost

DWSRF Loan Customer Handbook: June 2024
NASPO Procurement Toolbox: Contract Administration

Resources

- DWSRF Applicant Checklist
- NASPO Procurement Toolbox: Contract Administration
- DWSRF Loan Customer Handbook: June 2024

Procurement Types

Professional Services

Goods or services by people or companies that will support business growth and operation.

Construction Contracts

Projects that include building or developing infrastructure.

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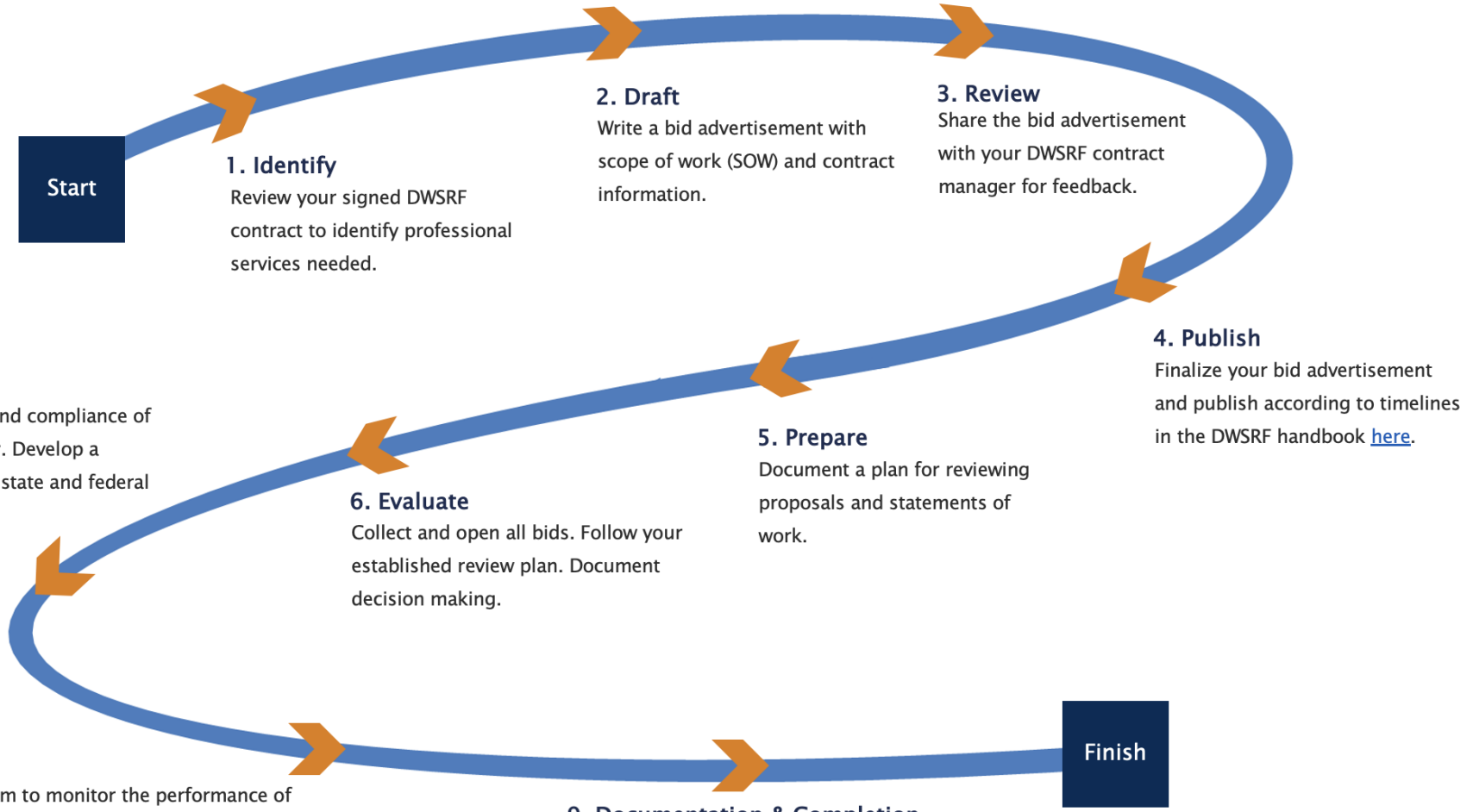
Procuring Professional Services

Procure a planning, engineering, and design professional.

DWSRF Applicant Checklist: Section 7

Procuring Professional Services

PROFESSIONAL SERVICES ROADMAP DWSRF



Procuring Professional Services

- Use your own staff for engineering and design work.
- If you are already under contract with an engineering or architectural consultant, you can use that consultant for your project if they were hired through a competitive process.
- If you are not under contract with a consultant and need to hire engineering or architectural consultants, use a competitive selection process.

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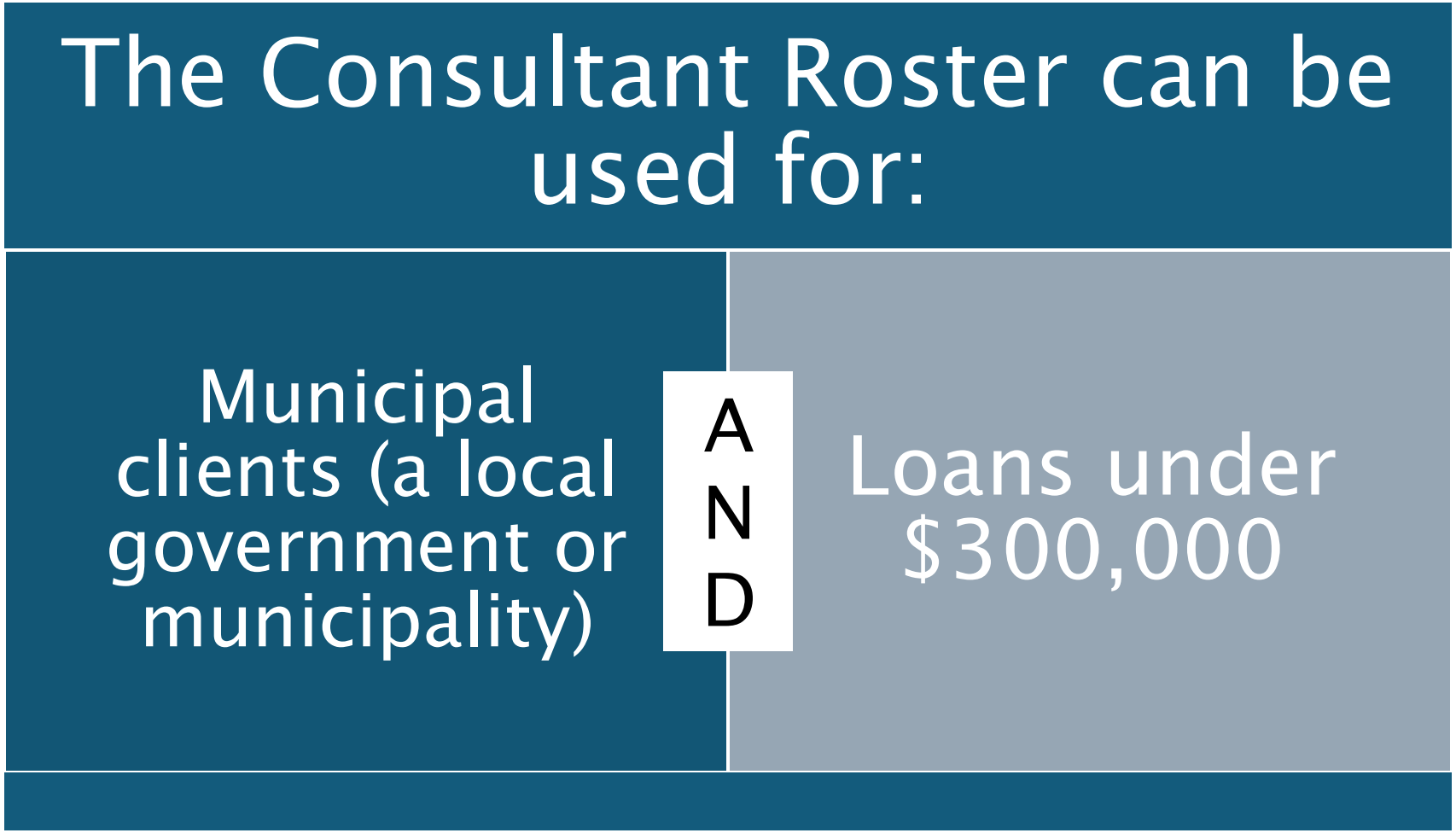
Consultant Roster



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Advertising

- Publish the request for professional services in a newspaper, at least once a week for two weeks, and give at least two weeks from the last published date for submissions.
- The request should include the scope and purpose of the project and explain how to contact you for more information.

Evaluation and Selection

Evaluation

- Document the way you will review proposals and qualifications.
- Include how you will choose the firm and evaluate the cost of the project.

Selection of the Firm Most Beneficial to the Project

- Document why you chose the firm.
- Use an RFP or Request for Statement of Qualifications. If you use the Request for Statement of Qualification, negotiate a fair and reasonable price.
- Think about the estimated value of the services and the scope and complexity of the project.

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Preparing the Contract

- General Requirements
- Scope of Services
- Method of Payment

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Monitor Performance

Monitor Performance

- Reconciling bills against your documentation
- Receiving monthly updates

Record Keeping

- Choice of procurement method
- Choice of contract type
- Why you chose or rejected applicants
- The basis for the contract cost
- A copy of your advertisement published in the paper

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Resources

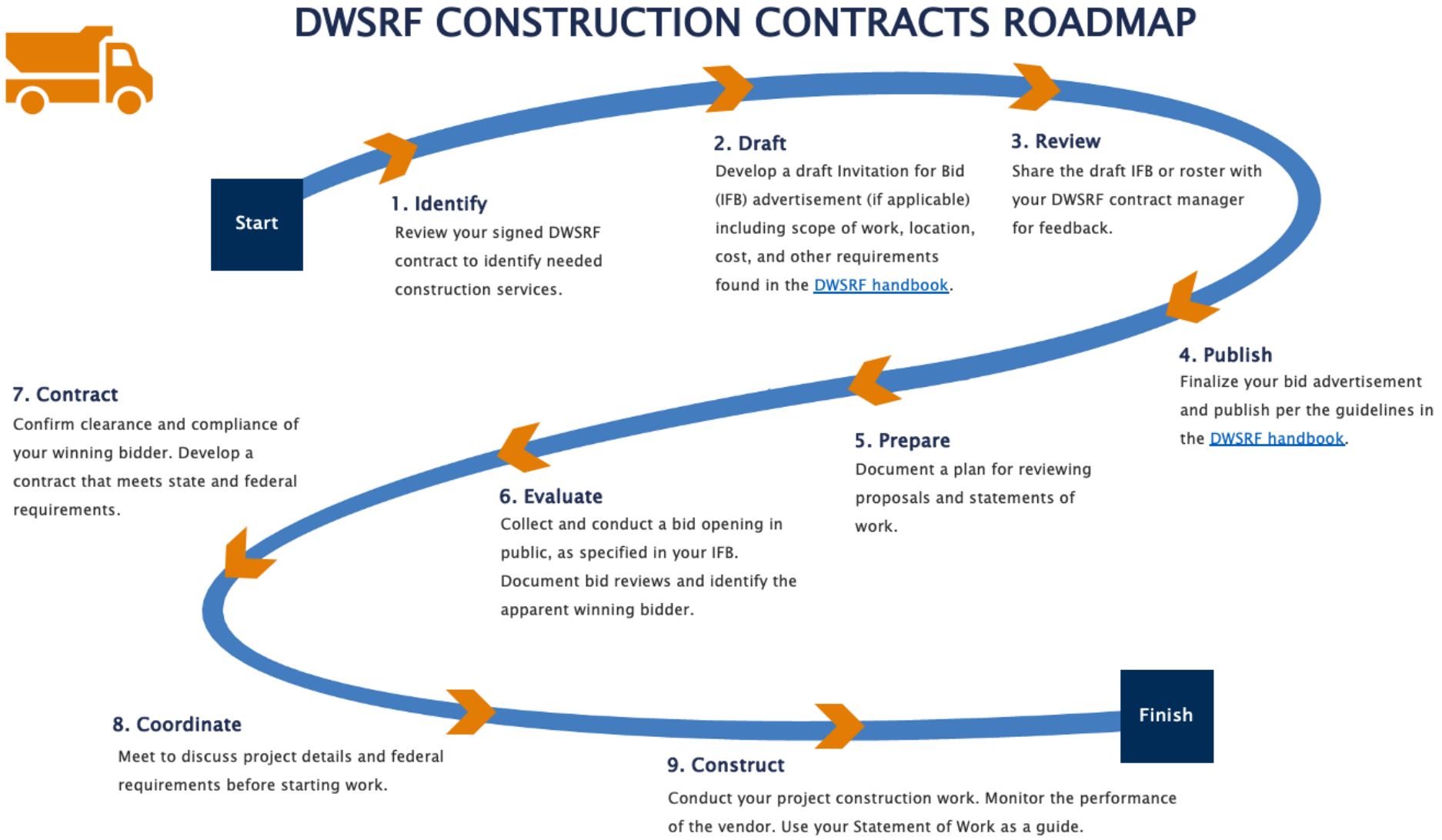
- DWSRF Applicant Checklist
- DWSRF Loan Customer Handbook: June 2024

Procuring Construction Contracts

Procure a construction contractor.

DWSRF Applicant Checklist: Section 8

Procuring Construction Contracts



Construction Competitive Bids

The IFB includes all the information the contractor will need to bid on the project.

The lowest responsive bid becomes the basis for the construction contract.

You must send a copy of the IFB to your DWSRF contract manager for approval.

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Construction Competitive Bids

Considerations for procuring construction contracts include:

Small Purchase Procedures for Limited Works Projects

- These can be used when the projects will cost less than $250,000
- This cannot be used for procuring engineering or architectural services

Small Works Roster (municipal clients only)

- This can be used for projects less than $350,000
- You can find more information here: www.mrsc.org

Bidders List

- All firms that bid or quote on subcontracts (over $250,000) will submit the following information with their proposals:
  - Bidder's name and contact information
  - Bidder's mailing address, phone number, and email address
  - The procurement connected to the bid or proposal
  - Bidder's status as an MBE or WBE

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Construction IFBs

The IFB (or bid advertisement) **should** include:

Title	Scope	Location	Logistics	Borrower's Right
Funding Sources	Higher Payments Must Be Paid	Equal Opportunity Employer	DWSRF Requirements	Washington State License

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Construction IFBs

The IFB (or bid advertisement) **must** include:			
"All work performed on this project will be subject to the higher of the prevailing state or federal wage rates."	"The (City/County) of _____ is an Equal Opportunity and Affirmative Action Employer."	"This project is (funded/partially funded) through the Washington State DWSRF program with federal funds from the Environmental Protection Agency."	"Small, Minority- and Women-owned firms are encouraged to submit bids."

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Wages

- The federal Davis-Bacon Act requires you to pay construction workers no less than the prevailing wage rate for that work category, and a state law requires you to pay state wage rates.
- Include the wage criteria in the bid requirements.
- To get the federal prevailing wage rates, send an email to your DWSRF contract manager with:
  - A description of the project, including the type of construction work
  - The project location
  - Proposed dates of advertising for bids and bid openings
  - Your email address

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American Iron and Steel Provision

Water systems must use U.S. steel and iron products for projects paid for by DWSRF.

- Types of iron and steel required
- Verifying that products are American
- Is there a waiver?
- Can I get additional funding for this?
- Where can I learn more?

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Receive and Open Bids

Receive Sealed Bids	Open Bids
Document all bids you get with the time and date you received them and keep them in a safe place.	Open the bids in public and at the time and place written in your advertisement.
If you are in a rural area of Washington and you have trouble getting bids, you can look for bids from general contractors while you also advertise in the newspaper.	Read each bid out loud and then choose the low bidder.
	Keep a description of the bid review process in your project files.
If you don't receive any bids or the bids are too expensive, advertise again in a larger area of the state.	

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Award the Contract

Select Lowest Responsive Bidder

- Licensed to work in Washington
- Have the ability, capacity and skill
- Have good character
- Able to meet timelines
- Have shown success in previous projects

Check Contractor Eligibility

- The chosen firm (and its owner or president) are not on the Federal Exclusion List for Ineligible Professionals and Debarred Contractors
- Share documentation with your DWSRF Contract Manager

Award the Contract

- Award the contract using the timeline in your bid (or reject all bids)
- Issue a Notice to Proceed within 18 months of awarding the contract

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Announce

- Hold a preconstruction conference to review the project details and the federal requirements. Include the general contractor and subcontractors, engineers, other professional service providers, and other interested parties

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Resources

- DWSRF Loan Customer Handbook: June 2024

Execution and Completion

Manage your project through completion.

DWSRF Applicant Checklist: Section 9

Evaluation

Evaluation

- The bid that includes your needs and the bidders' responses are compared side by side.

Purpose of Evaluation

- Evaluation of bids and proposals helps you choose a bid that is the best for you and for the bidder.

NASPO Procurement Toolbox: Evaluation and Award

Contract Administration Plan

Each CAP has four general stages but depend on the statutes, regulations, and procurement needs. The stages are:

NASPO Procurement Toolbox: Contract Administration

Kickoff

Kickoff meeting will help everyone understand the performance standards for the project

Ensure that contractors comply with business registration requirements and submit financial documents

Early and consistent communication is key

NASPO Procurement Toolbox: Contract Administration

Ongoing Maintenance

Roles and responsibilities

Performance evaluation

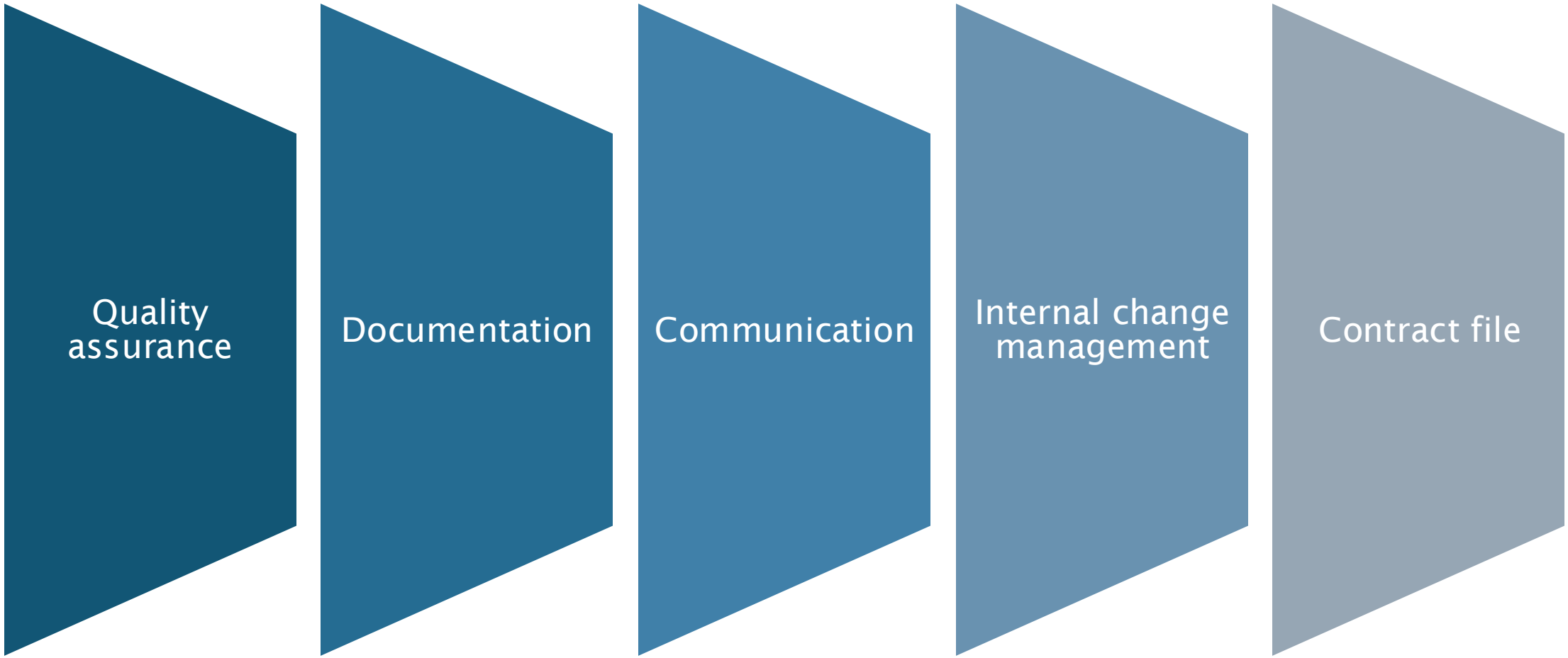
Monitoring methods

Reporting tools and processes

Dispute resolution

NASPO Procurement Toolbox: Contract Administration

Monitor Performance



NASPO Procurement Toolbox: Contract Administration

Contract Closeout

A contract is completed when:

All goods or services have been received, accepted, and approved

All reports have been delivered and accepted

All equipment and materials you provided to the contractor have been returned (if applicable)

You've made the final payment to the contractor

NASPO Procurement Toolbox: Contract Closeout and Retirement

Resources

- NASPO Procurement Toolbox: Evaluation and Award
- NASPO Procurement Toolbox: Contract Administration
- NASPO Procurement Toolbox: Contract Closeout and Retirement
- DWSRF Loan Customer Handbook: June 2024

Procurement Guidance and Frequently Asked Questions

- The Washington State Procurement Manual includes additional guidance and frequently asked questions
- DWSRF Contact Information and additional resources