



Policy Title:	Facilities Direct Contracting Policy
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Amendment/Addendum to:	Purchasing Policy
Effective Date:	
Prepared By:	Ethan Fogg
Reviewed By:	Abigail Wheeler

1 REVISION HISTORY

Revision Number	Board Resolution Number	Date of Board Approval
20.18 Rev. 2025		

2 POINT OF CONTACT

Department: Grants, Planning, and Procurement
Name: Abigail Wheeler
Title: Grants, Planning, and Procurement Manager
Address: 343 W Wishkah Street
Aberdeen, WA 98520

3 AUTHORIZATION

Authorized By:

Vickie L. Raines		10/09/2025
Board Chairperson	Signature	Date
Ken Mehin	 <small>Ken Mehin (Sep 10, 2025 08:27:32 PDT)</small>	10/09/2025
General Manager	Signature	Date

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5 PURPOSE

This policy establishes clear guidelines for Direct Contracting through MRSC's Small Works Roster related to facilities projects under \$5,000 to ensure compliance, cost control, and efficiency while maintaining appropriate internal oversight.

6 APPLICABILITY

This policy applies to all Grays Harbor Transit (GHT) staff involved in initiating, approving, or executing purchases for facility repair, maintenance, or improvement projects where the total single project cost is less than \$5,000, including tax, and the procurement is conducted using the MRSC Roster Website.

For the purpose of this policy:

- The contract must be firm fixed price.
- This policy is only to be used when there is no expectation of a change order.

If the project is less than \$5,000, including tax, an alternative filing process may be used through the Washington State Department of Labor & Industries (LNI) as a Combined Intent/Affidavit form.

The Combined Form may only be used when:

- One payment will be made under the contract.
- There are no subcontractors.
- The total contract amount, including tax, is \$5,000 or less.

**This is an addendum to the GHT Purchasing Policy. This policy supersedes the purchasing requirements in the GHT Purchasing Policy for the purpose of small works projects under \$5,000.*

7 DEFINITIONS

- **Direct Contracting:** The acquisition of goods or services without a formal bid or quote process. It is used for low-cost, low-risk purchases that fall below the agency's small purchase threshold. GHT will be applying Direct Contracting to public works projects with a total cost, including tax, of \$5,000 or less.
- **GPP Office:** Grays Harbor Transit's Grants, Planning, and Procurement Office.
- **LNI:** The Washington State Department of Labor & Industries (LNI) is the state agency that oversees workplace safety, workers' compensation, prevailing wage enforcement, contractor registration, and labor standards compliance.
- **Prevailing Wage:** Refers to the hourly pay, along with standard benefits and overtime, that must be paid to most workers in a specific trade or occupation within a certain area. It represents the minimum acceptable compensation for public work projects and includes both the wage rate and fringe benefits.

- **Public Works:** [A]ll work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. ... "Public work" does not include work, construction, alteration, repair, or improvement performed under contracts entered into under RCW 36.102.060(4) or under development agreements entered into under RCW 36.102.060(7) or leases entered into under RCW 36.102.060(8).
- **Rosters:** A list of eligible vendors who conduct work related to a specific project. These rosters streamline the bidding process for Small Works Projects.
- **Small Works:** This typically refers to projects with a total cost less than \$350,000 for Washington State or \$250,000 for Federal. For the purpose of this policy, GHT is applying small works to projects costing \$5,000 or less.

8 ROLES AND RESPONSIBILITIES

8.1 FACILITY MAINTENANCE SUPERVISOR

- **Procurement Authority:** Responsible for sourcing and securing qualified public works vendors for facility-related (small works) projects with a total cost of \$5,000 or less.
- **Documentation and Recordkeeping:** Maintain complete and accurate records of all invoices, purchase documentation, and award decisions for qualifying projects.
- **Award Communication:** Notify the Grants, Planning, and Procurement (GPP) Office promptly upon awarding a project and provide copies of all related invoices and supporting documentation.

8.2 GRANTS, PLANNING, AND PROCUREMENT OFFICE

- **Form Preparation and Compliance:** Prepare and submit the Combined Form on the Washington State Department of Labor & Industries (LNI) website for all facility projects under \$5,000.
- **Prevailing Wage Verification:** Review and confirm applicable prevailing wage rates for all covered projects to ensure compliance with state requirements.
- **Support and Oversight:** Provide guidance to the Facility Maintenance Supervisor and other departments on prevailing wage rules, direct purchase documentation, and state reporting obligations.

9 REFERENCES

- Revised Code of Washington (RCW)
 - RCW 39.04.152 – Uniform small works roster provisions
 - RCW 39.04.200 – Small works roster or purchase contracts
 - RCW 39.04.350 – Bidder responsibility criteria
- Grays Harbor Transit Business Utilization Plan
- Grays Harbor Transit Purchasing Policy

- Grays Harbor Transit Electronic Bidding Policy
- Grays Harbor Transit Electronic Signature Policy
- Federal Transit Administration (FTA) Circular 4220.1F – Third-Party Contracting Guidance *(Applicable if federal funds are involved)*
- Uniform Guidance (2 CFR Part 200) – Procurement Standards *(Applicable to federally funded procurements.)*

10 POLICY

10.1 SPENDING THRESHOLD

- Total small works project cost (including labor, materials, and tax) must be under \$5,000.
- Projects exceeding this amount must follow the other procurement processes outlined in GHT's Purchasing Policy.

10.2 COST SPLITTING

Project costs may not be divided into smaller parts for the purpose of staying under the \$5,000 threshold. All related expenses for a single project must be considered together when determining procurement requirements.

10.3 AUTHORIZED BUYERS

- Only the Facilities Maintenance Supervisor, with the support of the GPP Office, may execute direct purchases under this policy.
 - For evening and weekend services, GHT will have pre-selected vendors from the MRSC list.
- Purchases must be made through Direct Contracting procedures using MRSC's Small Works Roster.

10.4 INVITATION TO DIRECT CONTRACT/NEGOTIATE

- **Communication Tracking:** The GPP Office will be copied on all communications between the contractor and the Facility Maintenance Supervisor.
- **Form Provision:** The GPP Office will provide the Facility Maintenance Supervisor with all required forms for the procurement process.
- **Initiating Invitations:** Invitations to Direct Contract/Negotiate will be sent via email from GHT to the selected vendor, based on the MRSC Small Works Roster.
- **Invoice Documentation:** The GPP Office will be copied on the email transmitting the contractor's invoice for the completed work.

10.5 GEOGRAPHIC LIMITATION

Because of the low dollar value of this Direct Contracting Policy, geographic restrictions will be limited to a 50-mile radius from the project site.

10.6 ROTATION

- **Project Specific Roster/List of Businesses**
 - A list of contractors to which “rotation” must be applied is generated by starting a solicitation, selecting a project type and category [of work] then the [statewide] roster produces a project specific roster
- **Six or more Small Businesses**
 - If the project specific roster contains 6 or more Small Businesses, rotation must be applied to those Small Businesses.
 - Rotation Process: Rotation is applied by reviewing the date of the last contract with business on the project specific roster in the order they appear. If the last contracted date is within a 12-month period, the next business on the project specific roster is reviewed. This review approach is to continue until a business that has not been contracted with in the last 12-month period is identified.
 - Once the rotated contractor is identified, they are sent a procurement package in accordance with the Small Works Direct Contracting Negotiation policy/procedure.
- **Five or fewer Small Businesses**
 - If the project specific roster contains 5 or fewer Small Businesses, rotation must be applied to all businesses within the project specific roster.
 - Rotation Process is applied. Once the rotated contractor is identified, they are sent a procurement package in accordance with the Small Works Direct Contracting Negotiation policy/procedure.
- **No Small Businesses**
 - If there are no Small Businesses listed on the project specific roster, rotation must be applied to all businesses. Rotation Process is applied. Once the rotated contractor is identified, they are sent a procurement package in accordance with the Small Works Direct Contracting Negotiation policy/procedure.
- **One Business**
 - If there is only one business on the project specific roster, rotation is not practicable. Documentation will include the project specific roster to demonstrate the single contractor. Once the contractor is identified, they are sent a procurement package in accordance with the Small Works Direct Contracting Negotiation policy/procedure.
- **Rotation Documentation**
 - Procurement staff shall document the process and approach used to rotate through responsible contractors on a project specific roster. Documentation could include, but is not limited to, printing the project specific roster, and noting each contractor considered through review of their “last contracted” date and reference to the Small Business Utilization Plan. Staff are encouraged to use the “Rotation Documentation Form.”
- **Multiple Procurements in the same Project Type and Category**
 - Procurement staff are encouraged to use the same project specific roster and rotate starting at the bottom of the list when procurements for the same Project Type and Category are anticipated. This approach provides the maximum practicable opportunities to rotate through the same list of contractors and

equitably distribute work among all Small Businesses in registered in a project type and category. (e.g., 3 roof replacements in a 12-month period, goes to 3 different roofers).

- **Notification**
 - At the conclusion of negotiations with the directly selected, rotated contractor, procurement staff must send notification to all the small businesses on the project specific roster of the selection which includes the basis of rotation as documented.
- **Rotated Businesses Decline to Negotiate**
 - If rotated business declines to negotiate, procurement staff will first attempt to negotiate with the next rotated business. If all rotated businesses decline to negotiate, procurement staff can elect to revert the solicitation to the competitive process and invite all businesses on a project specific roster, cancel the solicitation all together, or publicly bid. Procurement staff are encouraged to ask contractors that decline the reason.

10.7 DOCUMENTATION REQUIREMENTS

- All purchases must be documented with:
 - Vendor invoice or receipt
 - Description of goods/services
 - Justification for purchase
 - Signature or approval from the Facility Maintenance Supervisor (or GPP Office)

10.8 PREVAILING WAGE REQUIREMENTS

- All contractors must adhere to state and federal prevailing wage requirements.
- GHT's GPP Office will create the Combined Form when the invoice is received.
 - All contractors must complete the "Combined Form" in L&I before payment can be issued.
 - The GPP Office will coordinate the approval of payment between the Facility Maintenance Supervisor and the Accounts Payable Office.

10.9 EXCLUSIONS

- This policy applies solely to small public works projects and does not apply to:
 - IT equipment
 - Personal services
 - Supplies and equipment purchases
 - Recurring utility services
 - Systemwide Maintenance and Repair Contracts
 - Capital improvements over \$5,000
 - Emergency repairs exceeding \$5,000

10.10 COMPLIANCE AND AUDITING

- The Finance Department will conduct periodic reviews to ensure compliance with this policy.
- Misuse of Direct Contracting privileges may result in disciplinary action.

11 PROCEDURE

11.1 STEP ONE

1. The Facilities Maintenance Supervisor creates a roster through MRSC for the category of work being performed.
2. Once the roster is created, click the “Solicit Businesses” button.
 - a. This will bring up a new page.
 - i. Click the download button for the solicitation list.
 1. Create a new folder in GH Grant Reports and Documents - Documents\Facility Payments.Vendors
 2. The new folder should follow the following naming convention: *Year, Month - Procurement Type – Procurement Category*.
 3. Example: *2025,06 – HVAC – Direct Contracting*
 - a. Save the generated roster to the folder.
 4. Award communications, addenda, and invoices should also be saved to the folder.
 - a. Select based on the rule of 5 or 6 small businesses mentioned in section 10.5.

11.2 STEP TWO

1. Use the email template provided by the GPP Office that includes contracting and prevailing wage language (because the retainage, performance bonds, and the COI are being waived).
 - i. The email template will be located in the Documents\Facility Payments.Vendors file.
 - b. When Facilities Maintenance Supervisor connects with the vendor (if phone call first, must be followed by email with the vendor’s POC), include the GPP office via email.
 - i. Once the contract has been awarded, the GPP Office will save a copy of the email to the file.
2. After negotiations are complete, the GPP Office will document vendor responses in MRSC, move the MRSC status to “Award Project”, and email any certified small business that were listed on the roster.
 - a. The email notification to the certified small businesses must notify each small business that Direct Contracting was used, what the project was, and the rotation method used.

11.3 STEP THREE.

1. The Facility Maintenance Supervisor will receive the invoice from the contractor with the GPP Office copied.
2. After the GPP Office receives a copy of the invoice, it will create a Combined Form for the vendor.

11.4 STEP FOUR

1. The vendor will receive a notification of the Combined Form LNI.
2. The vendor must complete the combined form for the GPP Office to process the invoice.
3. The GPP Office receives notification that the vendor has completed the LNI Combined Form and listed the Prevailing Wage on the form.
4. Once the form is approved, the GPP office will verify the prevailing wage data.
5. After the prevailing wage has been verified, the GPP office will notify the Accounts Payable office to proceed with payment of the invoice, copying the Facility Maintenance Supervisor.

11.5 STEP FIVE

After procurement and award is complete (outside the MRSC Rosters platform), the GPP Office will return to the MRSC Rosters system under “Documentation” and manually indicate each contractor’s rotation status together with any negotiation outcome.

12 RETENTION AND RECORD KEEPING

- All communications, prevailing wage paperwork, and invoices shall be retained in accordance with GHT’s records retention policy and public records laws.
- Backup of all electronic records will be performed in compliance with IT and legal standards.

13 POLICY REVIEW AND UPDATES

This policy shall be reviewed at least every two years or as required by regulatory changes or system updates. Revisions will be approved by the GHT General Manager or designee.










20.18 Rev. 2025 Facilities Direct Contracting Policy

Final Audit Report

2025-09-10

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