

RESOLUTION NO. 08-13325

A RESOLUTION RESTATING AND REVISING POLICIES AND DELEGATING AUTHORITY REGARDING PURCHASE REQUISITION APPROVAL; PURCHASE ORDERS; ADVERTISING, AWARDED, AND SIGNING CONTRACTS, INTERLOCAL AGREEMENTS AND LEASES WITH THIRD PARTIES; MODIFICATION OF CONTRACTS BY AMENDMENTS AND FIELD WORK ORDERS/CHANGE ORDERS; DECLARATION OF EMERGENCIES; PREQUALIFICATION OF BIDDERS PURSUANT TO RCW 54.04.085; APPLICATION AND RECEIPT OF GRANTS AND LOANS; MAKING PURCHASES PURSUANT TO RCW 54.04.082; DEFINING "SAME KIND OF MATERIALS, EQUIPMENT AND SUPPLIES;" RESCINDING IN PART RESOLUTION NO. 03-12406; AND RESCINDING RESOLUTION NOS. 98-10958, 5685 AND OTHER INCONSISTENT RESOLUTIONS

**FACTUAL BACKGROUND, REASONS FOR ACTION  
AND PROPOSED POLICIES**

The Commission has previously adopted and modified policies and procedures regarding purchase order and contract approval; modification to construction contracts by field work orders/change orders; authorization for the General Manager to declare an emergency under the bid laws; and other similar processes. Those policies and procedures require modifications and updating.

This resolution proposes changes in those delegated authorities as a result of a study by District staff regarding ways to improve the contracting processes and other considerations. This resolution also restates and revises the applicable processes, guidelines and delegation of authority to District management for ease of reference and clarity. The purpose of this resolution is to delegate necessary authority to the General Manager and designated staff to take certain actions and require reporting to the Board to improve efficiency as well as to ensure transparency and accountability within the Board's governance structure.

(1) Purchase Requisition Approval

Approval of purchase requisitions within the District's purchasing modules requires appropriate processes and procedures. District staff has developed such processes. The approval paths are important for the efficient operation of the purchasing system to enable staff to implement appropriate purchases of materials and labor within budgeted sums. All purchases must comply with all laws and internal policy requirements. The approval process for purchase requisitions will be set forth in an Administrative Policy as adopted by the General Manager.

(2) Purchase Order Approval

Approval of purchase orders within the District's purchasing modules requires appropriate processes and procedures. District staff has developed such processes. The approval paths are important for the efficient operation of the purchasing system to enable staff to implement appropriate contract payments and purchases of materials and labor within budgeted sums. All purchases must comply with all laws and internal policy requirements. The approval process for purchase orders will be set forth in an Administrative Policy as adopted by the General Manager.

(3) Advertising, Awarding and Executing Contracts/Agreements Policy (Attachment No. 1)

Delegation of authority to District staff to advertise, award, and execute agreements and contracts with third parties, including, but not limited to, contracts/agreements for the procurement of labor, materials, equipment, supplies, professional and other services, interlocal agreements and equipment/material leases, within specified dollar limits is in the best interest of the District and provides the flexibility needed to do business effectively and efficiently. The District's Commission has authority to delegate its administrative powers and duties provided sufficient guidelines and procedures are established and followed. The guidelines for such actions are set forth in Attachment No. 1.

(4) Field Work Orders/Change Orders and Amendments to Agreements/Contracts Policy (Attachment No. 2)

The District owns and operates facilities for which the District is regularly required to undertake substantial contracts for capital projects and/or maintenance. The District on a regular basis has substantial ongoing projects which frequently require immediate revision and change due to unforeseen circumstances. There would be undue delay if every change in a contract required Commission approval before action could be taken. It is in the best interest of the District for the Commission to delegate to the District's staff the authority to modify ongoing contracts through the use of Amendments and Field Work Orders/Change Orders.

Further, the District enters into many other agreements, including professional service agreements, service agreements, agreements resulting from requests for proposals pursuant to RCW 39.04, and interlocal agreements that require amendments to continue business in an efficient manner and account for changes in scope or requirements.

Amendments and Field Work Orders/Change Orders which exceed an established threshold should periodically be brought before the Commission for review and approval. The policy for approval of Amendments and Field Work Orders/Change Orders are set forth in Attachment No. 2.

(5) Emergencies

It is recommended that the Commission continue to designate the General Manager or, in his absence, the designated Acting General Manager, as the official authorized to declare an emergency for the purpose of waiving bid law requirements as provided in RCW 54.04.070 and RCW 39.04.

(6) Purchases pursuant to RCW 54.04.082 (Alternative bid process).

RCW 54.04.082 allows for the purchase of any item, or items of the same kind of materials, equipment or supplies to be purchased up to the statutory maximum using the process provided in RCW 39.04.190 if authorized by the Commission. The Commission may also authorize waiver of the deposit or bid bond required under RCW 54.04.080 in securing the quotations under RCW 39.04.190. The Board previously authorized the use of this procedure in Resolution No. 98-10958. That resolution has not been updated to reflect statutory changes in the amounts of the authorized purchases.

It is recommended that the Board continue to approve District staff's utilization of the process provided for in RCW 54.04.082 and RCW 39.04.190 for purchases that are made when using the alternative bid process is in the best interests of the District as determined by the responsible staff initiating the purchase. The purchases shall be limited by the statutory maximum as established periodically by the legislature and are further limited to only those purchases that meet all other requirements of the statutes. The Commission specifically waives the deposit and/or bid bond requirements for such purchases as permitted by RCW 54.04.082. The procedures and internal controls for utilizing the alternative bid process by District staff will be set forth in an Administrative Policy as adopted by the General Manager.

(7) Delegation to the General Manager to prequalify bidders pursuant to RCW 54.04.085

RCW 54.04.085 requires that a bid proposal for any construction or improvement of any electrical facility as defined in that statute shall be made upon a contract proposal form supplied by the District Commission and in no other manner. The statute requires that any person, firm or corporation desiring to bid upon any electrical work must answer questions contained in a standard form of questionnaire and financial statement as set forth in the statute. In order to be prequalified to perform electrical work, a contractor must meet certain standards and requirements as set forth in the statute. The District has developed the standard proposal form and questionnaire and financial statement as required by the statute. The form and questionnaire have been approved by Resolution No. 08-13294.

It is recommended that the Commission delegate to the General Manager or his designee to take the steps necessary to prequalify bidders that provide the necessary information and meet the requirements of the statute. If the General Manager or his

designee determines that a contractor does not meet the requirements for prequalification for any reason, that determination shall be presented to the Board for approval before action is taken upon that determination. The General Manager or his designee shall maintain a current list of prequalified bidders for electrical work as required by law.

(8) Delegation to the General Manager (or his designee) to apply for and receive grants and loans from other regional, state, federal or other entities for District projects

There are opportunities for the District to obtain grants and/or loans from regional, state, federal or other entities to perform projects or work to improve the District's infrastructure, fish habitat, or other work. It is recommended that the General Manager be authorized to apply for and receive grants and loans as the General Manager deems appropriate and necessary to the operations of the District. The General Manager (or his designee) will inform the Board of all applications for loans before they are made.

Due to the fact that loans and grants require certain compliance requirements as well as audit issues, the project manager for the project for which loans or grants are sought and received shall be responsible to inform the District's Compliance Manager, the Treasurer, the Controller and the appropriate Business Advisor of the application and the provisions of the loan or grant prior to submitting the application for such loan or grant. The project manager is also responsible to comply with the requirements of said loans or grants, to ensure any contracts for implementation include required provisions and to maintain the necessary records applicable to such grants or loans as required by law.

(9) Definition of "same kind of materials, equipment and supplies" as required in RCW 54.04.080

RCW 54.04.080 provides that the commission may define "same kind of materials, equipment and supplies" for purposes of purchases made under RCW 54.04.080, RCW 54.04.082 and other applicable statutes. The following definition was adopted in 1977 and again affirmed in 1998 and has been useful and efficient for the District. The definition proposed continues to meet the District's needs and meets the statutory requirements.

It is recommended that the Board define "same kind of materials, equipment and supplies" for purposes of purchases made pursuant to the applicable statutes as:

Items which are not different in essential elements including items which are not identical but which under particular circumstances calling for the usage or application would, under prudent utility practice, be interchangeable one with the other and would fulfill all

the requirements for the purposes for which the same is being purchased or acquired.

The District staff recommends that the policies, procedures and definitions stated herein be adopted.

District staff and General Manager recommend that the resolutions formerly adopted by the Commission implementing the processes, procedures and policies purchase requisition approval; contracts, purchase orders and short-term leases with third parties; field work orders/change orders; and delegation of an official authorized to declare an emergency should be rescinded. This requires rescinding in part Resolution No. 03-12406. Staff further recommends that Resolution No. 98-10958 and Resolution No. 5685 with regard to the alternative bid procedure be rescinded and replaced with this resolution. The District staff further recommend that delegation of authority and procedures as set forth in this resolution and attachments be approved by the Commission.

The General Manager concurs with these recommendations.

### **ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The General Manager is authorized and directed to adopt and amend appropriate administrative policies to implement purchase requisition approvals and purchase order approvals.

Section 2. The “Advertising, Awarding and Executing Contracts and Agreements Policy” as set forth in Attachment 1, and the “Field Work Orders/Change Orders and Amendments to Agreements/Contracts Policy” as set forth in Attachment No. 2, include proper internal controls and include appropriate delegated authority within defined limits. The aforementioned authorities are delegated and policies are approved and adopted as being in the best interest of the District.

Section 3. The District's General Manager or, in his absence, the General Manager's designee, is hereby designated to act during emergencies as provided in RCW 54.04 and RCW 39.04.

Section 4. The District's General Manager or his designee is authorized to take actions necessary to prequalify bidders that provide the necessary information and meet the requirements of RCW 54.04.085. If the General Manager or his designee determines that a contractor should not be prequalified for any reason, such determination must be presented to the Board for approval before action is taken upon that determination. The General Manager or his designee shall maintain a current list of prequalified bidders for electrical work as required by law.

Section 5. The General Manager (or his designee) is authorized to apply for and receive grants and loans as the General Manager deems appropriate and necessary to the operations of the District. The General Manager will inform the Board of all applications for loans before they are made.

Due to the fact that loans and grants require certain compliance requirements as well as audit issues, the project manager for the project for which loans or grants are sought and received shall be responsible to comply with all requirements of said loans or grants and shall be responsible to inform the District's Compliance Manager, the Treasurer, the Controller and the appropriate Business Advisor of the application and the provisions of the loan or grant prior to submitting the application for such loan or grant. The project manager is also responsible to comply with all requirements of said loans or grants, to ensure any contracts for implementation include required provisions and to maintain the necessary records applicable to such grants or loans as required by law.

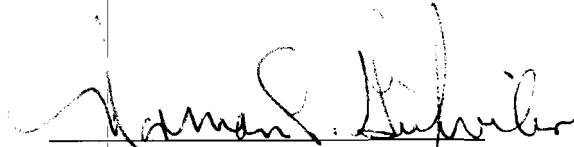
Section 6. RCW 54.04.080 provides that the Commission may define "same kind of materials, equipment and supplies" for purposes of purchases made under RCW 54.04.080, RCW 54.04.082 and other applicable statutes. The following definition meets District's needs and statutory requirements and is in the best interests of the District:

Items which are not different in essential elements including items which are not identical but which under particular circumstances calling for the usage or application would, under prudent utility practice, be interchangeable one with the other and would fulfill all the requirements for the purposes for which the same is being purchased or acquired.

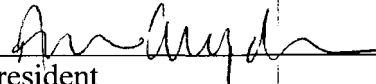
Section 7. The titles of staff members referenced in this resolution are those titles existing as of the date of this resolution. The intent of the Commission is that the provisions would apply to persons holding positions of similar responsibilities as those listed in this resolution even if the titles may be different.

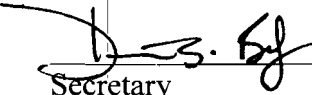
Section 8. Resolution No. 03-12406 is rescinded and superseded to the extent inconsistent with this resolution. Attachment No. 5 of Resolution No. 03-12406 regarding delegation of authority to the General Manager and staff regarding line extensions and customer service projects remains in full force and effect. Resolution Nos. 98-10958 and 5685 and any other resolutions inconsistent herewith are hereby rescinded.

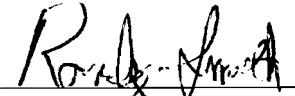
DATED this 12th day of May 2008.

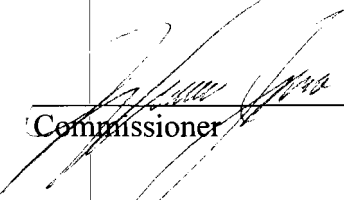
  
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President

ATTEST:

  
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Vice President

  
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Secretary

  
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Commissioner

  
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Commissioner

Seal

**Attachment No. 1**  
**ADVERTISING, AWARDED AND EXECUTING CONTRACTS AND**  
**AGREEMENTS POLICY**

**STATUTORY REQUIREMENTS APPLICABLE TO THE DISTRICT AND**  
**RESPONSIBILITY OF DISTRICT EMPLOYEES**

The District routinely needs to advertise, award, and execute contracts and agreements with third party vendors, contractors, consultants and other governmental entities. Because the District is a municipal corporation, there are a number of state laws relating to contracts applicable to District work and contracts, including but not limited to, bid laws, purchasing laws, prevailing wage, performance bonds, sole source laws, etc.

Contracts covered under this policy may be signed by the appropriate individual within the limits set forth in Table 1 below.

The individual signing the contract or agreement is responsible for determining that the statutory and internal requirements for such purchase or agreement have been fulfilled. The individual signing the contract or agreement shall also ensure compliance with this policy and the administrative policies adopted by the General Manager to implement this resolution. Further, the person signing any contract or agreement shall ensure compliance with all internal processes and reviews prior to execution of the contract. Execution of the contract or agreement shall not occur and work shall not begin until all requirements are fulfilled. Task Authorizations/Orders are considered to be contracts subject to these requirements and must be signed by the appropriate individual within the limits set forth in Table 1 below.

District staff should seek input and assistance from Procurement and Contract Services ("PCS") and General Counsel's office to ensure compliance with internal and statutory requirements prior to the execution of any contract or agreement.

**AUTHORITY TO ADVERTISE BIDDING AND REQUESTS FOR PROPOSAL**  
**OPPORTUNITIES**

The General Manager, or his designee, is authorized to cause advertisement of bidding opportunities and requests for proposal pursuant to RCW Title 54, RCW 39.04.270 and other statutory provisions when such is expected to result in a total contract price of \$3,000,000 or less. The General Manager may delegate this authority in writing to the appropriate Executive Managers and provide a copy of the authorization to PCS. Any bid or request for proposal which is expected to result in a total contract price greater than \$3,000,000 requires Board of Commissioner approval before advertisement.



## **AUTHORITY TO AWARD AND SIGN NON-EXCEPTION CONTRACTS**

The General Manager, or his designee, is authorized to award and sign contracts and agreements for public works, construction, goods, equipment, materials, supplies, or any other type of contract or agreement for the procurement of labor, materials or services when such contract is: (a) expected to result in a total contract price of \$3,000,000 or less; (b) relates to a project or expenditure of funds approved by the Board of Commissioners in a budget, project plan or otherwise; and (c) does not fall within one of the exceptions listed below.

In considering whether a contract or agreement will be less than \$3,000,000, the person responsible for that contract or agreement should consider the project as a whole and not split a project into several phases or contracts to meet this threshold. A project may be defined by the scope of work or specific dates for completion of the work, depending upon the facts and circumstances of the work. If there is a legitimate business need to perform a project in phases or separately contract for some work or equipment pursuant to this delegated authority, then that would be allowed if the project manager has received approval from the appropriate Director and Business Advisor. This approval must occur prior to a contract being executed. Documentation of the reasons for the action and approvals must be provided to PCS for the official contract file. The responsible project manager shall provide such documentation.

Contracts or actions which are not delegated to the General Manager and which must come before the Commission for approval/action by resolution are those set forth below:

- Rejection of the apparent low bid;
- Declaration that no bids were received and a decision to take an action other than rebidding;
- Declaration that no responsive bids received (i.e., bids contained material exceptions, exceeded estimate by more than 15%);
- Sole source declaration for purchases over the statutory limits set forth in RCW 54.04.082 or any other applicable statute; and
- Contract price is estimated to be greater than \$3,000,000.

## **AUTHORITY TO AWARD AND SIGN OTHER CONTRACTS**

The General Manager, or his designee, is authorized to award and sign contracts for software, data processing and telecommunication equipment pursuant to RCW 39.04, general services, and professional services when such contract is: (a) expected to result in a total contract price less than \$200,000; (b) relates to a project or expenditure of funds approved by the Board of Commissioners in a budget, capital items list or otherwise; and (c) does not fall within one of the contract exceptions listed below.

In considering whether a contract will be less than \$200,000, the person responsible for that contract should consider the project as a whole and not split a project into several phases or contracts to meet this threshold. A project may be defined by the scope of work or specific dates for completion of the work, depending upon the facts and circumstances of the work. If there is a legitimate business need to perform a project in phases or separately contract for some work or equipment pursuant to this delegated authority, then that would be allowed if the project manager has received approval from the appropriate Director and Business Advisor. This approval must occur prior to a contract being executed. Documentation of the reasons for the action and approvals must be provided to PCS for the official contract file. The responsible project manager shall provide such documentation.

The costs of reasonable support and maintenance of software, hardware or other items should be included in the total cost of the contract in determining whether the contract is less than \$200,000.

Contracts or actions which are not delegated to the General Manager and which must be presented to the Commission for approval by resolution are those set forth below:

- Declaration that no proposals were received and a decision to take an action other than readvertising a request for proposal;
- Sole source declaration for purchases over the statutory limits set forth in RCW 54.04.082 or any other applicable statute; or
- Contract price is estimated to be greater than \$200,000.

#### **AUTHORITY TO SIGN INTERLOCAL AGREEMENTS.**

1. Master purchasing agreements shall be presented for approval by the Commission prior to purchases being made pursuant to such agreements. The purpose of these types of agreements requiring Commission approval are agreements that allow for purchase of material, equipment, vehicles, computers, supplies and other items using another governmental entity's bid or quotation processes as allowed by statute.

District staff may utilize these approved master purchasing agreements after ensuring all statutory requirements and internal processes have been satisfied. Purchases made pursuant to any master purchasing agreement must be approved by the appropriate individual with signature authority as set forth in Table 1 below. Purchases using these types of master purchasing agreements of the "same kind" of items (as defined in this resolution) in any one calendar year shall not exceed \$3,000,000 without prior Commission approval.

2. An interlocal agreement for sharing of services or other intergovernmental cooperation may be approved by the appropriate individual with signature authority after ensuring that all statutory and resolution requirements and internal processes

have been satisfied. The persons with signature authority for such agreements are set forth in Table 1 below. In determining the appropriate person to sign an interlocal agreement, the value of the agreement (i.e. total value of payments to be made or received by the District, replacement value of equipment, as well as the risks to the District) should be considered. No action under the interlocal agreement shall begin prior to execution of an agreement.

Any interlocal agreement that will result in payment by the District of \$200,000 or more for services to be performed by another governmental entity must be presented to the Board for approval prior to execution.

**AUTHORITY TO SIGN LEASES FOR EQUIPMENT, TOOLS AND OTHER ITEMS.** Leases of equipment, tools and other items may be approved and signed by the person with appropriate signing authority as set forth in Table 1. The total replacement value of the equipment, tools or items (not lease payments) shall be used to determine the required approval level. Leases for equipment, tools or other items with a replacement value of greater than \$1,000,000 must be presented to the Commission for approval prior to execution. This provision does not apply to real property leases.

**TABLE 1 SIGNATURE AND MANAGEMENT AUTHORITY**

Authority Limit	Signature Required By
Up to \$50,000	Director*
Up to \$150,000	Executive Manager*
\$150,000 and above	General Manager*

\*Authority may be delegated by the responsible person if delegation is done in writing and documentation is provided to PCS. The person designated in this Table 1 remains responsible for ensuring statutory and internal compliance.

**REPORTING**

The Commission approves the delegation of authority to execute contracts and agreements under the specific circumstances and conditions set forth herein. The Business Advisor for each business group (in conjunction with PCS) will provide the General Manager and Commission with quarterly written reports as to the status of all current bids, RFPs, agreements and contracts, in a form acceptable to the Commission. At a minimum, the reports will include the contract title, approved budget amount, project description/title, project manager name, status (i.e. future, award pending, awarded), contractor name and the contract price. The Commission may request the General Manager for further review, updates or presentations regarding particular projects or contracts.

**Attachment No. 2**

**FIELD WORK ORDERS/CHANGE ORDERS AND AMENDMENTS TO  
AGREEMENTS/CONTRACTS POLICY**

**GENERAL REQUIREMENTS**

A Field Work Order/Change Order ("FWO/CO") means a directive to or agreement with a contractor modifying work to be performed or materials, equipment or supplies to be provided that is within the original contract. An Amendment means an agreement with a contractor or consultant to modify work, time for performance, or other terms of the original contract. The scope of work contained in an Amendment or FWO/CO must be within the scope of the original contract/agreement. The amendment or FWO/CO must specify the basis for compensation, time required to perform the work and the impact, if any, the changed work will have on the completion schedule and contract price. An Amendment or FWO/CO must be executed prior to the changed work being performed.

The persons signing an amendment or FWO/CO represent to the Commission by their signature as follows: (1) that he/she has reviewed the matter and determined that there is good reason and justification for the issuance of the amendment or FWO/CO; (b) that the amendment or FWO/CO is within the original scope and incidental to the primary contract; (c) that any additional work authorized pursuant to the amendment or FWO/CO does not constitute a new undertaking that would be subject to a new bid requirement; (d) that any additional work authorized by the amendment or FWO/CO was not anticipated at the time the primary contract was awarded; (e) that the District representative authorizing the amendment or FWO/CO has analyzed the circumstances and determined the terms are fair and reasonable; (f) that the additional costs are within the approved budget; and (g) that the amendment or FWO/CO is in the District's best interests.

**COMMISSION APPROVAL**

**Bids:**

FWO/COs that do not add costs to a project shall be reported to the Commission for approval as part of the final acceptance resolution, if such a resolution is necessary, but do not require any interim approval.

FWO/COs that add costs to a project require approval by the Commission prior to final acceptance of the project as set forth below:

- (a) If the cumulative total of all FWO/COs do not cause the contract price to exceed \$3,000,000, the FWO/COs shall be presented to the Commission for approval as part of the final acceptance resolution.

- (b) When the original contract price is less than \$3,000,000 but the cumulative value of FWO/COs causes the contract price to exceed \$3,000,000, the FWO/CO shall be presented to the Commission for approval within one (1) month after the total of such FWO/COs exceed the stated threshold.
- (c) When the original contract price exceeds \$3,000,000 and has been authorized by the Commission, the cumulative value of FWO/COs that increase the contract price by more than twenty-five (25%) of the original contract price or \$500,000, whichever is less, shall be presented to the Commission for approval within one (1) month after the total of such FWO/COs exceed the stated threshold.

All unapproved FWO/COs shall be presented to the Commission for approval as part of the final acceptance resolution.

**Small Works:**

The process for review and approval of FWO/COs for small works projects is governed by the procedures established by the Commission pursuant to Resolution No. 03-12357 (as may be amended).

**Service Agreements, Professional Service Agreements, Interlocal Agreements, and Procurement Contracts or Agreements (other than Bids/Small Works):**

Amendments that do not add costs to a contract do not require any Commission approval. An amendment that results in additional material risks of loss to the District must be approved by the General Manager, or his designee, prior to execution of the amendment, even if no additional costs are included.

Amendments that add costs to a contract require approval by the Commission as set forth below:

- (a) Board approval in advance of execution of the amendment if the revised contract price will exceed \$200,000 and the Board did not originally approve the contract.
- (b) If the amendment increases the contract price but does not exceed the amount originally authorized by the Commission, no approval of the amendment is necessary.

**BUDGET REVISIONS**

Nothing herein shall change any requirements for budget revisions if the same are necessitated by amendments or FWO/COs.

**SIGNATURE AUTHORITY FOR AMENDMENTS AND FWO/CO**

Subject to the limitations and requirements hereof, persons in the following positions shall have the authority to execute amendments and FWO/COs for additional or changed work resulting in an increase in costs within the dollar limits set forth in Table 2 below:

**TABLE 2 SIGNATURE AND MANAGEMENT AUTHORITY**

Authority Limit	Signature Required By***
Up to \$25,000 per amendment or FWO/CO, but no more than \$50,000 total per contract	Project Manager*
Up to \$50,000 per amendment or FWO/CO, but no more than \$100,000 total per contract	Director**
Up to \$100,000 per amendment or FWO/CO, but no more than \$200,000 total per contract	Executive Manager**
Up to \$500,000 per FWO/CO (no per-contract limit)	General Manager

\*Project Manager is the individual authorized, in writing, by the appropriate Executive Manager, Director or Manager as the person responsible for a particular contract or project, and such authorization is provided to PCS.

\*\*Authority may be delegated to others by making such delegation in writing and provided to PCS. The person designated in this Table 2 remains responsible for ensuring statutory and internal compliance.

\*\*\*If the FWO/CO or amendment increases the risks of a project to the District, the responsible Director must approve the changes regardless of the dollar value of the amendment. The Director will determine whether to also obtain Executive Manager approval depending upon the nature of the risks.

Upon approval by the Commission of FWO/COs, the per-contract amount starts anew. This provision does not apply to amendments. For amendments, once the per-contract limit is reached, all subsequent amendments that will increase the contract value must be approved by the Board in advance of commencement of work and prior to signature.

**SPECIFIC PROJECTS**

This Attachment No. 2 does not apply to other projects specifically governed by resolutions setting forth limitations, guidelines and processes for FWO/CO for those specific projects.

## **REPORTING**

The Commission approves the delegation of authority to execute amendments and Field Work Orders/Change Orders under the specific circumstances and conditions set forth herein. The Business Advisor for each business group (in conjunction with PCS) will provide the General Manager and Commission with quarterly written reports as to the status of any Field Work Orders/Change Orders and amendments in a form acceptable to the Commission. At a minimum, the reports will include the contract title, project description/title, approved budget amount, project manager name, contractor name, and the value and description of the Field Work Order/Change Order or amendment. The Commission may request the General Manager to provide further review, updates or presentations about projects or contracts.