



**Two Rivers**  
HEALTH DISTRICT

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KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners  
Regular Meeting Packet  
Thursday, July 31, 2025  
Hybrid Meeting  
5:00 pm**

via Zoom and in person at:

**Trios Care Center at Vista Field  
521 N. Young Street, Kennewick, WA 99336**

Kennewick Public Hospital District  
Kennewick, Benton County, Washington

Consent Agenda  
**July 31, 2025**

All Materials under the Consent Agenda are considered routine by the Board of Commissioners and will be adopted by one motion in the form listed below. There will be no separate discussion of these items. An item may be removed from the Consent Agenda and considered separately if the board members or the public desire further discussion.

1. Approval of Minutes:  
Meeting Minutes, June 26, 2025

**Kennewick Public Hospital District**  
**Thursday, July 31, 2025 | Hybrid Meeting**  
**5:00 PM**  
**AGENDA**

**I. District Business:**

- A. Approval of Consent Agenda\***
- B. Declare any known or perceived Conflicts Of Interest with agenda items**
- C. Public Comment –**

**II. NEW BUSINESS:**

**A. Reports**

- 1. Lee Kerr – Superintendent, General Update
- 2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates – Records Requests
- 3. Administrative Report, Salem Thompson, Board Coordinator

**B. Committee Reports/Recommendations**

- 1. Finance Committee – Gary Long/Erica Davis
  - a. Overview of June 2025 Financials – Erica Davis
  - b. Acceptance of June 2025 Financial statements\*
  - c. Approval of June 2025 payments and disbursements\*
  - d. Treasurer’s Report – Gary Long
- 2. Governance Committee Updates – Mark Brault
  - a. Small Works and Vendor List Policy and Resolution\*
  - b. General update and upcoming items (if any)
- 3. Planning Committee – Wanda Briggs
  - a. CBC Scholarship recipients and funding\*
  - b. General update
- 4. Adult Day Services – Rick Reil/Spencer Harris/Wanda Briggs
  - a. General update

**III. COMMISSIONER COMMENTS**

**IV. Upcoming items – NONE**

**V. BOARD MEETINGS/EVENTS/EDUCATION**

Next Regularly Scheduled Board Meeting – Thursday, August 28, 2025 @ 5:00 p.m.

**Close of Meeting**

*\*Indicates potential board action.*

**Kennewick Public Hospital District**  
**Thursday, June 26, 2025 | Hybrid Meeting**  
**5:00 PM**  
**MINUTES**

Attendance: Mark Brault, Shannon Phipps, Spencer Harris, Gary Long, Rick Reil, Marv Kinney, Lee Kerr, Salem Thompson; Heidi Ellerd  
Excused: Wanda Briggs, Erica Davis

**I. District Business:**

**A. Approval of Consent Agenda –**

IT WAS MOVED AND SECONDED TO APPROVE THE ITEMS ON THE CONSENT AGENDA INCLUDING MEETING MINUTES FROM THE MAY 29, 2025 REGULAR MEETING. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

**B. Public Comment – NONE**

**II. NEW BUSINESS:**

**A. Reports**

1. Lee Kerr – Superintendent, General Update

Lee reported on meetings with the bankruptcy trustee, and it was confirmed the bankruptcy has been concluded by minutes in the docket report rather than entry of an order.

There is a community service day opportunity at the recovery center.

Tours of the recovery center are being held monthly, a future date will be chosen soon if anyone wants to attend.

2. Legal Report - Heidi Ellerd, Legal Counsel

a. Updates – Records Requests –

Two large records requests are still being processed. There is a large amount of redaction required which is labor intensive. Heidi proposed using a software application such as Adobe to perform the function of redaction saving time and cost for the District.

Mark Brault asked for a motion to authorize Heidi's office to obtain the software required for the task.

IT WAS MOVED AND SECONDED TO AUTHORIZE HEIDI ELLERD'S OFFICE TO OBTAIN ADOBE OR EQUIVALENT SOFTWARE FOR USE IN PUBLIC RECORDS REQUEST FULFILLMENT ACTIVITIES AND TO BILL THE DISTRICT FOR THE COST. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

3. Administrative Report, Salem Thompson, Board Coordinator

Nothing new to report.

**B. Committee Reports/Recommendations**

1. Finance Committee – Gary Long/Erica Davis

a. Overview of May 2025 Financials – Gary Long provided an overview in Erica's absence.

b. Acceptance of May 2025 Financial statements

IT WAS MOVED AND SECONDED TO ACCEPT THE MAY 2025 FINANCIAL STATEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

c. Ratify May 2025 payments and disbursements

IT WAS MOVED AND SECONDED TO RATIFY THE MAY 2025 PAYMENTS AND DISBURSEMENTS AS PRESENTED. ALL IN FAVOR. NO DISCUSSION. MOTION CARRIED.

- d. Treasurer's Report – Gary Long – Discussion below
- e. L&I Claims update-  
Gary and Lee had a conversation with Helmsman on the status of the outstanding claims.  
The District is now utilizing excess coverage and the process for reimbursement will be changing.  
The Treasurer's Bond was discussed.
- 2. Governance Committee Updates – Mark Brault
  - a. General update and upcoming items (if any)  
Nothing new to report.
- 3. Planning Committee – Wanda Briggs - excused
  - a. General update- None provided.
- 4. Adult Day Services – Rick Reil/Spencer Harris/Wanda Briggs
  - a. General update – The recent board meeting had no quorum due to travel and scheduling conflicts. Still working through accounting firm changes. Preliminary financials are expected to be available at the next KPHD Finance Committee meeting in July.

### **III. COMMISSIONER COMMENTS**

### **IV. Upcoming items – NONE**

### **V. BOARD MEETINGS/EVENTS/EDUCATION**

Next Regularly Scheduled Board Meeting – Thursday, July 31, 2025 @ 5:00 p.m.

**Close of Meeting 5:27 pm**

# Management Reports

Kennewick Public Hospital District  
For the period ended June 30, 2025

Prepared by  
**Guardian Financial Group**

Prepared on  
**July 8, 2025**

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These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. Additionally, management has chosen to omit formal notes to these interim monthly financial statements. However, district leadership have provided explanations on select accounts below.

### **Financial Statement Explanation of Terms**

The District's Financial documents use bookkeeping and accounting terms and phrases that have the following meanings:

Account 200 Community Care Agreement under the "Cost of Goods Sold" Section—This section represents the accounting software category designated for payments required by the Community Care Agreement to RCCH Trios to provide healthcare services which include charity care, reimbursements and on-going hospital operations.

Account 1020 Health Initiative Fund—Funds held to pursue the acquisition of a Recovery Center facility as well as to pursue other unmet healthcare needs in the District. These funds originated from the sale of Lifepoint's interest in the Tri-City Cancer Center. Lifepoint donated the proceeds of the sale to the District. Lifepoint Health, Inc. owns and operates Trios Hospital.

Account 1040 Worker's Compensation Account—This is a pass-through account with funds received from Trios RCCH to benefit pre-petition employees who are receiving workman's compensation benefits. It is beyond the requirements of the Community Care Agreement and provided by Trios RCCH to benefit prior and continuing employees.

Account 1055 Local Government Investment Pool Account -The Local Government Investment Pool (LGIP) is a voluntary investment vehicle operated by the State Treasurer. Over 530 local governments have participated in the pool since it was started in 1986 to provide safe, liquid, and competitive investment options for local government pursuant to RCW 43.250. The LGIP lets local governments use the State Treasurer's resources to safely invest their funds while enjoying the economies of scale available from a \$15-26 billion pooled fund investment portfolio. LGIP's investment objectives are, in priority order: 1) safety of principal, 2) maintaining adequate liquidity to meet cash flows, and 3) providing a competitive interest rate relative to other comparable investment alternatives. LGIP offers 100% li <https://www.tre.wa.gov/wp-content/uploads/LGIP-Investment-Policy-December-2018-1.pdf>quidity to its participants and as such is classified as a 'Cash Equivalent' on the District's balance sheet. LGIP investment guidelines are spelled out in the LGIP Investment Policy found at <https://www.tre.wa.gov/wp-content/uploads/LGIP-Investment-Policy-December-2018-1.pdf>.

Account 1056 LGIP-Restricted Funds L&I Claims – Funds held to stay in compliance with state laws. \$500,000 is reserved for L&I self-insurance purposes.

Account 2001 Richmond Trust Account—This is a Legacy Trust with an income interest donated to the District by Mrs. Richmond. Baker Boyer Bank acts as the trustee.

Account 2100 Adult Day Services Loan Account—The District borrowed funds from ADS in mid-2019 to satisfy a long-term debt owed to the Kennewick Liquidation Trust. Principal and interest payments are made quarterly on a 10 year amortization schedule. The amortization schedule was shortened in October 2022 following a large, additional principal payment of \$120,000. The loan is now expected to be paid off in October, 2025.



# Statement of Activity With Year to Date

June 2025

		Total
	Jun 2025	Jan - Jun, 2025 (YTD)
<b>REVENUE</b>		
100 Property Tax Revenue	21,287.54	980,656.28
<b>Total Revenue</b>	<b>21,287.54</b>	<b>980,656.28</b>
<b>COST OF GOODS SOLD</b>		
200 Community Care Agreement	17,030.03	784,525.02
<b>Total Cost of Goods Sold</b>	<b>17,030.03</b>	<b>784,525.02</b>
<b>GROSS PROFIT</b>	<b>4,257.51</b>	<b>196,131.26</b>
<b>EXPENDITURES</b>		
305 Bank Fees	105.11	1,497.09
315 Commissioner Mtg Stipend	2,576.00	18,515.00
320 Facilities Expense		
322 Rent Expense		499.68
323 Utilities		275.00
<b>Total 320 Facilities Expense</b>		<b>774.68</b>
326 Insurance		612.50
330 Legal and Professional		
331 Attorney Fees	515.33	3,098.58
332 Accounting	1,730.00	10,380.00
333 Audit Expense		15,634.84
335 Administrative Support	2,500.00	15,000.00
336 Other Professional Fees	894.60	5,367.60
<b>Total 330 Legal and Professional</b>	<b>5,639.93</b>	<b>49,481.02</b>
340 Office Expenses		2,679.14
342 Public Records Request	720.50	7,461.58
343 Records Management	7,529.65	10,659.65
345 Other Operating Expenses		147.14
347 Public Election Costs		14,828.42
360 Superintendent Compensation	3,300.00	19,800.00
<b>Total Expenditures</b>	<b>19,871.19</b>	<b>126,456.22</b>
<b>NET OPERATING REVENUE</b>	<b>-15,613.68</b>	<b>69,675.04</b>
<b>OTHER REVENUE</b>		
940 Unreal. Gain (Loss) Investments	33,310.18	39,257.63
950 Worker's Comp Reimbursements		84,455.76
960 Interest and Dividend Income	6,236.06	28,121.22
<b>Total Other Revenue</b>	<b>39,546.24</b>	<b>151,834.61</b>
<b>OTHER EXPENDITURES</b>		
800 Workers Comp Claims Paid		90,844.98

		Total
	Jun 2025	Jan - Jun, 2025 (YTD)
810 Interest Expense		919.66
<b>Total Other Expenditures</b>	<b>0.00</b>	<b>91,764.64</b>
NET OTHER REVENUE	39,546.24	60,069.97
NET REVENUE	\$23,932.56	\$129,745.01

# Statement of Financial Position

As of June 30, 2025

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	143,112.49
1020 Health Initiative Reserves 2765	2,000.00
1030 US Bank 6221	100.00
1050 Cash Equivalents	
1055 Local Government Investment Pool	1,232,165.03
1056 LGIP-Restricted Funds Insurance	500,000.00
<b>Total 1055 Local Government Investment Pool</b>	<b>1,732,165.03</b>
<b>Total 1050 Cash Equivalents</b>	<b>1,732,165.03</b>
<b>Total Bank Accounts</b>	<b>1,877,377.52</b>
<b>Other Current Assets</b>	
1105 Tax Receivable	705.00
<b>Total Other Current Assets</b>	<b>705.00</b>
<b>Total Current Assets</b>	<b>1,878,082.52</b>
<b>Other Assets</b>	
2001 Richmond Trust (Restricted)	636,337.28
<b>Total Other Assets</b>	<b>636,337.28</b>
<b>TOTAL ASSETS</b>	<b>\$2,514,419.80</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	682,201.67
<b>Total Accounts Payable</b>	<b>682,201.67</b>
<b>Other Current Liabilities</b>	
2021.50 Current Portion ADS Loan Payable	14,330.42
<b>Total Other Current Liabilities</b>	<b>14,330.42</b>
<b>Total Current Liabilities</b>	<b>696,532.09</b>
<b>Total Liabilities</b>	<b>696,532.09</b>
<b>Equity</b>	
3200 Net Position	777,417.95
3210 Restricted - Expendable	341,000.00
3220 Restricted - Expendable Richmond Trust	569,724.75
Net Revenue	129,745.01
<b>Total Equity</b>	<b>1,817,887.71</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,514,419.80</b>

# Statement of Cash Flows - Last Month

June 2025

	Total
<b>OPERATING ACTIVITIES</b>	
Net Revenue	23,932.56
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	24,559.68
2024 U.S. Bank CC (4195)	-259.54
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>24,300.14</b>
<b>Net cash provided by operating activities</b>	<b>48,232.70</b>
<b>INVESTING ACTIVITIES</b>	
2001 Richmond Trust (Restricted)	-33,310.18
<b>Net cash provided by investing activities</b>	<b>-33,310.18</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>14,922.52</b>
Cash at beginning of period	1,862,455.00
<b>CASH AT END OF PERIOD</b>	<b>\$1,877,377.52</b>

# Check Detail

June 2025

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
<b>1010 US Bank Checking 4037</b>						
06/02/2025	Expenditure		U.S.Bank CC (4195)	ACH Debit(s)	R	-259.54
				ACH Debit(s)		-259.54
06/09/2025	Expenditure		EFT Payments (See Detailed List)	ACH Debit(s)	R	-8,376.00
				W. Briggs, M. Brault, S. Harris, M. Kinney, G. Long, R. Reil		2,576.00
				S. Snowdy		2,500.00
				L. Kerr		3,300.00
06/13/2025	Expenditure		US Bank	Miscellaneous Fee(s)	R	-96.92
				Miscellaneous Fee(s)		96.92
06/16/2025	Expenditure		Guardian Financial Group	ACH Debit(s)	R	-1,730.00
				ACH Debit(s)		1,730.00
06/18/2025	Bill Payment (Check)	1774	Advantage IT		R	-894.60
						-894.60
06/18/2025	Bill Payment (Check)	1775	Ellerd, Hultgrenn & Dahlhauser, LLP		R	-1,235.83
						-1,235.83

Kennewick Public Hospital District

Transaction Report - US Bank Credit Card

June 2024

DATE	NAME	SPLIT	AMOUNT	BALANCE
U.S. Bank CC (4195)				
	Beginning Balance			224.45
06/03/2024	Bettendorfs Printing	340 Office Expenses	123.48	347.93
06/03/2024	U.S.Bank CC (4195)	1010 US Bank Checking 4037	-224.45	123.48
06/04/2024	Spectrum	323 Facilities Expense:Utilities	55.00	178.48
06/04/2024	Adobe	340 Office Expenses	21.73	200.21
06/20/2024	Microsoft Edge	340 Office Expenses	176.64	376.85
06/20/2024	Microsoft Office	340 Office Expenses	26.08	402.93
06/27/2024	Spectrum	323 Facilities Expense:Utilities	110.00	512.93
Total for U.S. Bank CC (4195)			\$288.48	
TOTAL			\$288.48	

# Contractor Payment Register Report

## Kennewick Public Hospital District



Pay Period From 05/01/2025 to 05/31/2025, Pay Date: 06/10/2025, Payment # 9

#	Contractor Name	Compensation	Federal Tax	YTD	State Tax	YTD	Reimbursement	Deductions	Net pay	Check #
9	Mark C Brault	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
2	Wanda Briggs	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
13	Spencer D Harris	322.00	0.00	0.00	0.00	0.00		0.00	322.00	
3	Leland Kerr	3,300.00	0.00	0.00	0.00	0.00		0.00	3,300.00	
4	Marv Kinney	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
5	Gary Long	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
7	Rick Reil	483.00	0.00	0.00	0.00	0.00		0.00	483.00	
8	Salem Snowdy	2,500.00	0.00	0.00	0.00	0.00		0.00	2,500.00	
Payment Totals :		8,376.00	0.00	0.00	0.00	0.00	0.00	0.00	8,376.00	

<b>KENNEWICK PUBLIC HOSPITAL DISTRICT</b>		<b>Page 1 of 5</b>				
<b>TITLE: SMALL WORKS, VENDOR, AND CONSULTANT ROSTER</b>		<b>Implementation Date:</b> 06/26/2025 <b>Revised Date:</b>				
<b>APPROVED:</b> <b>(Signed)</b> <u>Signature on file</u> <b>(Typed)</b> Mark Brault, President <b>Date:</b> 6/26/2025	<b>Reviewed by:</b>					
	<b>Date:</b>					

## 1. PURPOSE

The purpose of this section is to establish a set of guidelines by which District personnel can effectively and efficiently manage the expenditure of budgeted funds.

## 2. POLICY

It is the policy of the District to expend funds as efficiently as possible, to track and record such expenditures in the most effective and expedient manner, and to provide timely and accurate payment to all vendors. As the Revised Code of Washington (RCW) has no general statutory requirement dictating how a hospital district must acquire real property, it shall be the policy of the District to handle each acquisition of real property on a case by-case basis.

The District will follow statutory requirements for the purchase of personal property as outlined in RCW 70, and the selection of an architect or engineer, or public works projects will be made by following the requirements in RCW 39.

## 3. DEFINITIONS

## 4. PROCEDURE

### 4.1. Budget Responsibility

**4.1.1.** The Superintendent, by authorization of the Board of Commissioners, has management authority over the Budget.

**4.1.2.** The Superintendent may assign custodians to certain projects in the Budget. Custodians have the primary responsibility, authority and accountability for expenditures of line items in their projects. All purchases from the custodian's project shall be made with his or her knowledge.



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<b>TITLE: SMALL WORKS, VENDOR, AND CONSULTANT ROSTER</b>	<b>Implementation Date:</b> 06/26/2025 <b>Revised Date:</b>

**4.1.3.** The Custodian shall comply with all requirements of this policy and procedure. He or she ensures that all forms, requests, bids, quotes, invoices and orders are complete, correct, and contain the necessary information before forwarding them to the Superintendent or their designee.

## **4.2. Purchases Under the Bid Law**

**4.2.1.** Statutory requirements for the purchase of materials, supplies and equipment through the bidding process for hospital districts in Washington are contained in RCW 70.44.140. The first section establishes when competitive bidding must be used and the other sections direct the procedures to be used.

**4.2.2.** The statute applies both to purchases and public works and basically requires that all purchases and public works be obtained through a formal sealed bid process. There are however, exemptions where no formal sealed bid procedure is required.

## **4.3. Exemption - Emergency Purchases**

This exemption is applicable only if the sealed bid procedure would delay or prevent the District from dealing with an emergency pursuant to RCW 39.04.280. The emergency exception shall be used cautiously and only where a true emergency actually exists. It shall also only be used if the product being purchased is readily available and can actually be obtained in sufficient time to meet the emergency. The Superintendent has the authority to declare that an emergency exists, waive competitive bidding requirements, and award necessary contracts on behalf of the District. If the District uses the emergency exception, a written finding shall be made by the Board of Commissioners and entered in the minutes of a meeting of the Board of Commissioners to be held no later than two weeks following the award of the contract. The Board of Commissioners shall review the information relating to the emergency, and the written finding shall fully and carefully describe the cause of the emergency, the nature of the indicated immediate threat to life and property that would have occurred if equipment is not obtained immediately or work performed, and the method of securing the equipment or having the work done at a reasonable price.

## **4.4. Exemption - Purchases under \$15,000**

The procedure for the purchase of materials, supplies or equipment at a cost more than \$15,000.00 required by RCW 70.44.140 is set forth in RCW 39.04.190 and requires the establishment of a vendor list and provides that at least twice a year the District shall cause a notice of the existence of a vendor list to be published in a newspaper, and solicit names of vendors for the list. The District may use the rosters maintained by the Municipal Research and Services Center (MRSC) as provided in RCW 39.04.151.

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<b>TITLE: SMALL WORKS, VENDOR, AND CONSULTANT ROSTER</b>	<b>Implementation Date:</b> 06/26/2025 <b>Revised Date:</b>

**4.4.1.** The District has, by Resolution #2025-3, established a procedure for securing telephone or written quotations from at least three different vendors on the list, whenever possible, prior to awarding a contract for the purchase of any materials, supplies, equipment or service.

Immediately after the award is made, the bid quotations that were obtained must be recorded with the Superintendent or their designee and be open to public inspection as well as available by telephone inquiry.

**4.4.2.** In summary, the requirements for the purchase of materials, supplies, or equipment are as follows:

- Under \$15,000 purchase price –the vendor list procedure
- Over \$15,000 – formal sealed bid procedure.

**4.4.3.** The District will not attempt to split what normally would be a single purchase into several smaller purchases to avoid the formal bid procedure. This would constitute an evasion of the statutory requirements and would render the District subject to legal action by the State Auditor's Office or by residents and taxpayers of the District.

**4.4.4.** The Superintendent or their designee shall cause a list of the contracts awarded to be posted at least every two months. The list shall contain the name of the vendor awarded the contract, the amount of the contract, and a brief description of the type of items purchased together with the date the contract was awarded. The list shall state that the bid quotations are available for public inspection by contacting the District.

#### **4.5. Exemption – Small works roster**

RCW 70.44.140 requires that all public works in excess of \$75,000.00 shall be by contract, but authorizes public hospital districts to use the small works roster procedure to contract for public works projects where the estimated cost is less than \$350,000.00. District Resolution #2025-3 authorizes the administration of the District to use the small works roster procedure established by RCW 39.04.152 under the following procedures:

**4.5.1.** The Superintendent is authorized to establish the small works rosters through MRSC as provided in RCW 39.04.151.

**4.5.2.** The Superintendent may require contractors to keep a current record on file with the District showing the contractor's current status relating to licenses, registrations, bonding, insurance and other appropriate matters.

**4.5.3.** The District shall cause to be annually published in a newspaper of general

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circulation in the District's jurisdiction, a notice of the existence of the roster or rosters and invite contractors to submit their names for inclusion on the rosters.

**4.5.4.** All responsible contractors who submit their names shall be placed on the roster or rosters provided that the contractor is in compliance with all statutory licensing and registration requirements.

**4.5.5.** At such time as the District determines to contract for a public works project within the authorized price limitations, the Superintendent shall invite bids from all contractors on the applicable roster, and obtain written quotations or bids for the work required. The invitation for the quotations shall designate the estimated scope and nature of the work to be performed and the materials and equipment to be furnished.

**4.5.6.** The District shall maintain a record of quotations received as required by the Local Government Common Records Retention Schedule. The record shall be open to public inspection and available by telephone inquiry.

**4.5.7.** The administration shall award construction contracts to the lowest responsible bidder as defined in RCW 39.04.350.

**4.5.8.** The Superintendent shall post a list of the contracts awarded at least once a year. The list shall contain the name of the contractor awarded the contract, the amount of the contract, and a brief description of the type of work performed together with the date the contract was awarded. The list shall state that the bid quotations are available for public inspection by contacting the District.

**4.5.9.** The District shall not use the direct contracting/negotiation process established by RCW 39.04.152(4)(b) to award any contract to an individual contractor without competition.

#### **4.6. Exemption – Sole source of supply**

**4.6.1.** Purchases that are clearly and legitimately limited to a single source of supply. This exemption does not apply to public works. The exemption applies to the source of supply, not manufacture.

There are many situations where a product is manufactured by only a single company but is distributed and sold by many retail suppliers. The exemption is not applicable in such a situation. This exemption also excludes, from the bidding requirement, the purchase of services where the purchase price may best be established by negotiation. The purchase of services would include consulting services, accounting services, legal services, etc.

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**4.6.2.** In the event the formal bid requirements are applicable, RCW 70.44.140 establishes the procedure to be used.

#### **4.7. Accounts Payable**

**4.7.1.** At least monthly, the District's Accountant shall prepare Vouchers for submittal to the Board of Commissioners for approval at a scheduled Board meeting.

**4.7.2.** The Superintendent or Accountant may pay certain approved expenditures from the Petty Cash Fund at his or her discretion.

**4.7.3.** Line Item Excesses - While the intent is to not expend more than is in a given line item, this is not always practical. Line item excesses (in any amount) shall be approved by the Superintendent or designee's signature on the Voucher.

#### **4.8. Monthly Reports**

**4.8.1.** At least monthly a series of summary reports shall be generated and provided to the Board of Commissioners that reflect current expended balances for each line item.

**4.8.2.** The Superintendent shall review the monthly report(s) and check their respective line items to insure accuracy. Discrepancies or questions should be brought to the immediate attention of the Superintendent or their designee for resolution with any corrections approved by the Board of Commissioners.

### **5. REFERENCES**

RCW 70.44.140

RCW 39.04.151

RCW 39.04.152

RCW 39.04.190

RCW 39.04.200

RCW 39.04.350

District Resolution # 2025-3

**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BENTON COUNTY, WASHINGTON  
RESOLUTION NO. 2025-3**

A RESOLUTION OF KENNEWICK PUBLIC HOSPITAL DISTRICT ON THE SUBJECTS OF ESTABLISHING A SMALL PUBLIC WORKS ROSTER AND THE AUTHORITY TO USE THE ROSTER PROCESS TO AWARD SMALL PUBLIC WORKS CONTRACTS, A CONSULTANT SERVICES ROSTER FOR GENERAL CONSULTING AND OTHER PROFESSIONAL SERVICES, AND A VENDOR ROSTER FOR GOODS AND SERVICES.

WHEREAS, RCW 39.04.151-154 and other laws regarding contracting for public works by authorized local governments, allow certain contracts to be awarded by a small works roster process; and

WHEREAS to be able to implement a small works roster and process, Kennewick Public Hospital District is required to adopt a resolution and, establish reporting procedures that are publicly available; and

WHEREAS, chapter 39.80 RCW and other laws regarding contracting for consulting services by municipalities allow certain contracts to be awarded by a consultant roster process; and

WHEREAS, RCW 39.04.190, regarding purchase of materials, supplies, or equipment not connected to a public works project, allows certain purchasing contracts to be awarded using a vendor list.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF KENNEWICK PUBLIC HOSPITAL DISTRICT, HEREBY RESOLVES AS FOLLOWS:

**Section 1.** Resolution Nos. 2018-22 and 2020-7 are hereby repealed and replaced with this Resolution.

**Section 2. MRSC Rosters.** Kennewick Public Hospital District hereby elects to use the statewide small works roster established under RCW 39.04.151(2) and administered by the Municipal Research Services Center of Washington (MRSC).

**Section 3. Small Works Roster.** Kennewick Public Hospital District adopts the following to use in the management and awards of small public works projects as allowed under RCW 39.04.152. The District will maintain separate procedures and contracting templates for small works roster contracts.

- A. Small Works, as defined by RCW 39.04.152 are public works projects estimated to cost \$350,000 or less, excluding sales tax, for the construction, renovation, remodeling, repair, or improvement of real property.
- B. A Small Works Roster is a pre-established list of properly licensed contractors, registered to do business with Kennewick Public Hospital District under selected project types and (work) categories.
- C. The Small Works Roster process is an alternative to publicly advertising public work projects.
- D. Every small works contract is subject to the same public works bidding, award, and compliance requirements of chapter 39.04 RCW unless specifically included in RCW 39.04.151-154, this resolution, or the incorporated policies or procedures.
- E. Small Work Roster contract procurements will be bid through the District's procurement processes using mail, e-mail, fax, or in person delivery to the District. (RCW 39.04.152(4)).
- F. Only those contractors registered with MRSC Rosters will be invited to bid on small works roster projects.
- G. **Invitations for bid** 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.
- H. Small Works contracts will be awarded to a responsible contractor (RCW 39.04.350) submitting the lowest responsive bid.
- I. Small Works bidding and award information will be entered by Kennewick Public Hospital District into the statewide small works roster platform immediately upon conclusion of each small works roster award.
- J. Small Works bidding and award data will be part of Kennewick Public Hospital District's procurement files and records and all documents will be available for review with the District's Superintendent.
- K. **Annual Notification and Invitation.** At least once a year, MRSC shall, on behalf of the District publish in a newspaper of general circulation within the District's jurisdiction a notice of the existence of the small works roster and invite contractors to register on the statewide small works

roster. Additionally, as required by RCW 39.04.151(1)(c), MRSC will notify the Office of Minority and Women's Business Enterprise (OMWBE) directory of certified firms and invite small businesses to apply to the roster.

- L. MRSC shall add responsible contractors to the small works roster at any time that a contractor completes the online application provided by MRSC and meets minimum State requirements for roster listing.

The District delegates authority to oversee and manage the use and outcomes of the small works roster to the Superintendent. As the delegated authority, the Superintendent will be responsible for ensuring all necessary policies, procedures, templates, contracts or similar are developed and used in accordance with the applicable statutes and guidance provided by MRSC.

The Superintendent will also be responsible for data collection, reporting, and similar on all activities, uses, and awards for small works and will ensure all information is provided to MRSC, the state, or the public as required or requested.

**Section 4. Consultant Services Roster.** Kennewick Public Hospital District adopts the use of the MRSC Rosters Consultant Roster (vendor list) to be used for the procurement and award of consultant services.

- A. **Consultant Services.** Consultant services can be "personal services" such as technical expertise, studies, project management, planning, or similar, or "architecture and engineering services" or "professional services" services as defined by chapter 39.80 RCW. For all services, the District reserves the right to procure using methods other than formal sealed bidding (low bid) as afforded under RCW 39.04.190.
- B. **Soliciting to join the Consultant Roster.** MRSC Rosters, as provided as part of their membership service, will publish twice a year, in a newspaper of general circulation within the District's jurisdiction, a notice of the existence of the Consultant Roster and solicit consultants to join on our behalf. (RCW 39.04.190(2))
- C. **Procuring Consultants.** The District adopts the following as policies, procedures or similar when contracting for consultant services:
  - 1. **Personal Services.**
    - a. Personal consultants, firms and individuals that provide subject matter expertise, or services more intellectual in nature such as studies, accounting, legal, project management, or similar shall be procured using a Request for Proposal (RFP). Selection

should be based on the best value provided to the District and include scoring on experience and expertise in the field or industry needed, a proposed approach to completing services, capabilities of the businesses staff, time, and cost to complete the work.

**2. Professional Services.**

- a. Professional architecture and engineering services shall be procured under the requirements of chapter 39.80 RCW, using the MRSC Consultant Roster. Procuring professionals will be through a Request for Qualification (RFQ) and/or Request for Proposals (RFP) with Qualifications. Price and/or the cost of the professional services will be 10% or less of the overall score. Selection criteria should clearly define the scope of services and the details on how the District will determine the most qualified professional (or firm), which will be different depending on the District need. Further, selection criteria shall include a plan, as appropriate, to include minority and women-owned firms, small business, and veteran-owned firms to the maximum extent practicable.

**3. Electronic Submissions.** As required by RCW 39.04.190(2), the District establishes the following procedure for securing written proposals or submittals for consultant services.

- a. Unless otherwise adopted, through establishment of an e-procurement tool, the District will use email communications to request and receive submissions.
- b. An RFQ or RFP shall be developed that will include at a minimum a description of the services needed, the time of performance, the scoring criteria with descriptions and relative weighting, the schedule with due dates, and any other relevant information. Attached to each RFQ or RFP shall be the intended contract to be signed.
- c. A selection committee will be formed with the Superintendent and at least 2 Commissioners to review and score the submissions. The selection committee will sign statements attesting they have no conflicts of interest in the matter and all proceedings will be confidential until Award.
- d. A list of business will be pulled from the MRSC Rosters consultant roster under the category of need, and an email request will be sent only to the businesses on the roster list of businesses.



- e. Once submittals are received, the selection committee will review, score, and recommend award to the consultant scored the highest.
- f. **Records.** The original request, responses, scoring, and award documentation will be kept in the District's records and will be available upon request.

4. **Award of Consultant Contracts.**

There may be two methods for awarding consultant services contracts.

- a. The Board of Commissioners reviews and scores all proposal(s) or statements of qualifications received, negotiates or similar and then awards the contract.
- D. **Posting of Awards.** In accordance with RCW 39.04.200, all consultant/services contract awards will be posted to the District's website at least every other month.

**Section 5. Vendor Roster.** Kennewick Public Hospital District adopts the use of the MRSC Rosters Vendor Roster (vendor list) to be used for the procurement and award of materials, supplies, equipment or similar. The following vendor list roster procedures are established for use by the District pursuant to RCW 39.04.190 and 70.44.140.

- A. **Purchase of materials, supplies, or equipment not connected to a public works project.** The District is not required to use formal sealed bidding procedures to purchase materials, supplies, or equipment not connected to a public works project where the cost will not exceed the statutory threshold of the District as provided in RCW 70.44.140. The District will attempt to obtain the lowest practical price for such goods and services.
- B. **Publication.** At least twice per year, MRSC shall, on behalf of the District, publish in a newspaper of general circulation within the District's jurisdiction a notice of the existence of the vendor list roster and solicit the names of vendors for the vendor list roster. MRSC shall add vendors licensed to do business in the State of Washington to the Vendor Roster at any time when a vendor completes the online application and meets and minimum requirements.

- C. **Electronic Quotations.** The District shall use the following process to obtain written quotations from vendors for the purchase of materials, supplies, or equipment not connected to a public works project:
1. A written Invitation (to Bid or Quote) with description shall be drafted for the specific materials, supplies, or equipment to be purchased, including the number, quantity, quality, and type desired, the proposed delivery date, together with any evaluation criteria and any relevant information of the purchase. The contract intended to be signed by the successful vendor is also to be included in with the invitation.
  2. The Superintendent, or their designee, shall make a good faith effort to contact at least three (3) of the vendors on the roster to obtain written quotations from the vendors for the required materials, supplies, or equipment;
  3. The Superintendent, or their designee, shall not share written quotations received from one vendor with other vendors soliciting for the bid to provide the materials, supplies, or equipment;
  4. A written record shall be made by the Superintendent, or their designee, of each vendor's bid on the material, supplies, or equipment, and of any conditions imposed on the bid by such vendor;
- D. **Determining the Lowest Responsible Bidder.** The District shall purchase the materials, supplies, or equipment from the lowest responsible bidder, provided that whenever there is reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected, and the District may call for new bids.
- E. **Award.** All of the bids or quotations shall be collected by the Superintendent or their designee. The Superintendent, or their designee, shall create a written record of all bids or quotations received, which shall be made available by request after the award of the contract.
1. The Superintendent, or their designee, shall then present all bids or quotations and their recommendation for award of the contract to the Board of Commissioners. The Board of Commissioners shall consider all bids or quotations received, determine the lowest responsible bidder, and award the contract; or
  2. If the Board of Commissioners delegates the authority to award bids to the Superintendent of the District for materials, supplies, or equipment costing less than or equal to the statutory threshold of the agency as provided in RCW 70.44.140, the Superintendent shall have the authority to award public works contracts without Board of

Commissioners approval, provided that the Board of Commissioners shall ratify the Superintendent's approval at the next scheduled Board of Commissioners meeting by means of the consent agenda. For materials, supplies or equipment costing more than the statutory threshold of the District as provided in RCW 70.44.140, the Board of Commissioners shall award all vendor contracts.

- F. **Posting of Awards.** In accordance with RCW 39.04.200, all vendor contract awards will be posted to the District's website at least every other month. The posting will include the vendor awarded the contract, the amount of the contract, a brief description of the items purchased, and the date it was awarded.

ADOPTED at the regular meeting of the Board of Commissioners of Kennewick Public Hospital District this 26th day of June, 2025.

**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BENTON COUNTY, WASHINGTON**

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Mark Brault, President & Commissioner

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Spencer Harris, Commissioner

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Marv Kinney, Vice President & Commissioner

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Richard Reil, Commissioner

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Wanda Briggs, Commissioner

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Gary Long, Treasurer & Secretary &  
Commissioner

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Shannon Phipps, Commissioner