Environmental Mitigation Credit Procurement Process

This is a brief summary of the steps required to purchase environmental mitigation credits. Mitigation credits should not be procured without the assistance of WSDOT mitigation specialists, qualified WSDOT procurement staff and in some cases the Washington State Attorney General’s Office (AG).

1. Consult with the appropriate WSDOT mitigation specialist for your region to determine what types of mitigation best suit your project.
   a. Gretchen Lux
   b. Tony Bush

2. Determine if current WSDOT mitigation credits or WSDOT owned banks can be used. WSDOT must efficiently use its current resources prior to spending additional public funds.

3. If current WSDOT resources aren’t available and the project requires mitigation credits, every effort should be made to purchase mitigation credits directly from a certified bank sponsor. A bank sponsor is the public or private entity responsible for establishing and, in most circumstances, operating a certified bank. Certified banks are registered with the Washington State Department of Ecology.

4. A purchase that involves any of the following creates an increased legal risk for WSDOT and should be avoided whenever possible. AG review and approval should be obtained prior to making any of the following purchase:
   a. Pre-sale credits from a bank not yet fully certified by appropriate regulatory agencies.
   b. Purchases from a certified In-lieu fee program
   c. Purchases from a third party - even if the third party legally owns the credits.

5. Working with the appropriate mitigation specialist, identify the need to purchase credits.
   a. Is this a permit requirement?
   b. Is it part of the mitigation plan?
   c. Have the appropriate regulatory agencies approved the purchase of mitigation credits?

6. Working with a procurement professional, identify the number of banks in the project area that fulfill both the regulatory agencies and project requirements.
Environmental Services Office

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a. If there’s more than one bank, a competitive process could be required.
b. A formal justification must be documented as to why any competition would not be completed.
c. If there’s only one bank, then a sole source contract can be pursued.
d. A formal sole source justification must be completed.
e. A posting on The Department of Enterprise Services, Washington Electronic Business Solutions (WEBS), may still be required.

7. Work with a procurement professional and/or contracting officer to create and execute a contract between WSDOT and the bank sponsor.
   a. If there are no unusual issues, you can use the standard form contract to make an environmental mitigation credit purchase.
   b. If you are unfamiliar or need assistance with your contract, please contact your contracting officer.

8. Obtain and pay an invoice from the bank sponsor, for the agreed upon credits.
   a. Environmental mitigation credits are intangible assets.
   b. Use the appropriate contract number and object code JA11 on the payment document when processing payment for these credits.