



Washington State Department of
Enterprise Services

ENTERPRISE PROCUREMENT POLICY WORKSHOP

OCTOBER 23, 2019

Presented by:

Christine Warnock

Farrell Presnell

Drew Zavatsky

Workshop Objectives

1. Direct Buy update
2. Share draft policies
 - Environmental (four of them)
 - Contract Management
3. Obtain meaningful feedback on each draft policy and related documents
4. Discuss new policy concepts
 - Competitive Solicitations
 - Supplier Diversity
 - EO 19-01
 - Bonds



Housekeeping Items

- **Remote Participation**

To join by phone, call the number below:

Workshop Call-in Number: +1 669 900 6833 **Meeting ID:** 511 084 590

To participate by computer, click on the link: <https://zoom.us/j/511084590>

- **Session attendance:** [Register here](https://2019-fall-eppw.eventbrite.com)

[\(<https://2019-fall-eppw.eventbrite.com>\)](https://2019-fall-eppw.eventbrite.com)

- **Emergency evacuation/Restrooms**

- **The PowerPoint presentation is available, and is screen reader accessible.**



Questions/Feedback

- This workshop is designed for us to listen to your feedback on the focus areas for each policy.
- We are taking notes of all the questions/feedback that are received from participants in the room.
- Feel free to follow-up after the workshop with feedback, using the [Feedback Form](#).
- If you are participating by phone, please provide questions/feedback at DESmiEnterpriseProcurementPolicy@des.wa.gov.
- **FEEDBACK DUE OCTOBER 30, 2019**
- DES will summarize feedback and share with stakeholders.



Direct Buy Update

- DES is close to updating the direct buy policy to raise limits to \$30k and \$40k if the purchase is being made from a WA small or veteran-owned business.
- We received a great deal of very helpful feedback on the draft policy. Thank you, everyone, who provided comments.
- We will share more information on the policy adoption as soon as we are able.



Environmental Policies



Session Objectives:

- **We want your input on the four proposed Environmental policy drafts.**
- **We want your input on some tools and guides intended to make managing the environmental policies more efficient.**

Environmental Policies



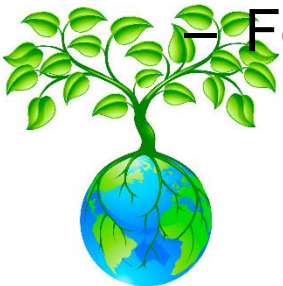
- Here are the environmental laws containing a preference that we are addressing today:
 - RCW 39.26.255 – Recycled Products
 - RCW 39.26.265 – Electronics Products
 - RCW 70.95M.060 – Mercury Reduction
 - RCW 39.26.310 – Hydrofluorocarbons (HB1112 passed in 2019 Legislative session)



Environmental Policies

History:

- Policy concept shared at September 19, 2018 Policy Workshop
 - Positive feedback to consolidate all environmental policies, procedures, tools, resources, etc.
- Initial drafts shared at May 23, 2019 Policy Workshop
 - Feedback received by stakeholders, practitioners, and subject matter experts.
- DES sharing current drafts prior to and at October 23, 2019 Policy Workshop
 - Feedback due November 6, 2019



Environmental Policies

What we heard from last workshop:

- Seeking clarity around training
- Questions around applicable products affected
- Request for sample contract language
- Seeking clarification around application
- Clarity regarding compliance



Environmental Policies

Recycled Content Purchasing Preference Policy #DES-255-00:

- Proposed preference percentage of 5%.
- Clarify ties to all related statutes, rules, federal guidelines, etc.
- Clarify products subject to the policy.
- Identifies exemptions.
- Includes a mandatory training program related to environmental purchasing.
- Identifies policy compliance requirements.
- Created a [Draft Procedure](#) to complement the policy.
- Developed a Draft [FAQ](#).



Environmental Policies

Electronic Products Purchasing Preference Policy #DES-265-00:

- Proposed preference percentage of 5%.
- Clarify products subject to the policy.
- Identifies exemptions.
- Includes a mandatory training program related to environmental purchasing.
- Identifies policy compliance requirements.
- Created a Draft [FAQ](#).



Environmental Policies

Nonmercury-Added Products Purchasing Preference Policy #DES-70.95M.060-00:

- Proposed preference percentage of 5%.
- Identify the product categories subject to the policy.
- Identifies exemptions.
- Includes a mandatory training program related to environmental purchasing.
- Identifies policy compliance requirements.
- Developed an [FAQ](#)



Environmental Policies

Hydrofluorocarbons Purchasing Preference Policy DES-310-00:

- Proposed preference percentage of 5%.
- Identify the product categories subject to the policy.
- Identifies exemptions.
- Includes a mandatory training program related to environmental purchasing.
- Identifies policy compliance requirements.



Environmental Guide and Tools



A quick [Decision Tree](#) that will tell you exactly which environmental requirements you need to apply to your specific procurement- In less than five minutes.




A Desk Aid that includes *all that is above* along with:

- Step by Step Instructions
- FAQs
- Sample Language
- Examples

Environmental Regulatory Framework

RCW 43.19.663 & RCW 39.26.160 (3)(d) & 43.19A.070 (2)

Clean Technology is a broad base of processes, practices and tools, in any industry that supports a sustainable business approach, including but not limited to: pollution control, resource reduction and management, end of life strategy, waste reduction, energy efficiency, carbon mitigation and profitability.



Choose Products that don't contain persistent toxic chemicals. RCW 70.76, EO 04-01 & EO 18-01



Choose Environmentally Responsible Vehicles & Fuels



Choose Recycled Products
RCW 39.26.255
RCW 43.19a.040(2)
WAC 200-300-085



Choose Environmentally Responsible Electronics
RCW 39.26.265(1)

Choose PCBs Free
RCW 39.26.280/290

Choose electric vehicles RCW 39.26.090(10)
EO 14-04

Choose Strawboard
RCW 43.19a.020(2)

Choose Mercury Free
RCW 70.95M.060(2)

Choose Biofuels, clean fuels
RCW 43.19.642-.647,
RCW 43.19.637 & .648

Choose Environmentally responsible paper.
RCW 39.24.050
RCW 39.26.255
RCW 39.30.050
RCW 43.19A.022(1)
WAC 200-300-085
EO 05-01

Choose PBDEs free
RCW 70.95M.080

Choose products that don't contain HFCs
RCW: TBD

Choose food packages and firefighting chemicals without per-fluorinated (PFA/PFC) chemicals
RCWs: 70.75A.020, 70.95G.070

Choose products aren't hazardous RCW 43.19A.070 (2)

Environmental Policies

Feedback discussion:

- Are the revised draft policies clear?
- Are the tools helpful?



Next Steps

- Please provide feedback by November 6th.
 - Feedback options
 - E-mail the [Feedback Form](#) to DESmiEnterpriseProcurementPolicy@des.wa.gov
 - Contact one of the Enterprise Procurement Policy team members
- DES will compile feedback and make appropriate revisions to policy documents.
- Policies will be finalized and sent to stakeholders for implementation, unless significant revisions are made.



Contract Management Policy

Session Objective:



We want your input on a proposed Contract Management policy.



Contract Management Policy

History:

- Policy concept shared at May 23, 2019 Policy Workshop
 - Feedback received by stakeholders and AAG
- DES shared initial draft on October 1, 2019
 - Feedback due by October 30, 2019



Contract Management Policy

Summary of Feedback – 3 main areas:

- Contract Manager
- Training
- Other



CM Feedback Themes

- Contract Manager
 - Appointed for each contract
 - Identify its roles and responsibilities
 - Involved in the solicitation
 - Fully engaged with the contractor



CM Feedback Themes

- Training
 - Should be a special separate training for all staff that manage contracts directly with vendors
 - Contract Management Policy should be based on the training



CM Feedback Themes

- Other
 - Levels of contract management
 - Don't get too granular on contract management requirements



Draft Policy Overview

- The Policy is divided into the three contract lifecycle phases that correlate with the Contract Management Training:
 - Phase One – Pre-award
 - Phase Two – Award
 - Phase Three – Post Award



Phase One – Pre-award

- Involve stakeholders
- Appoint a contract administrator/manager
- Performance-based contracts
- Contract Management Plan



Phase Two - Award

- Contract Negotiations



Phase Three – Post Award

- Administration
- Monitoring
- Kick-off Meeting
- Receipt of Goods and Services
- Prompt Payment
- Contract Issues and Disputes
- Termination
- Contract File



Contract Management

Feedback discussion:

- Is the draft policy clear?
- Do you foresee any issues with implementing this policy within your agency?
- Any other comments/feedback?



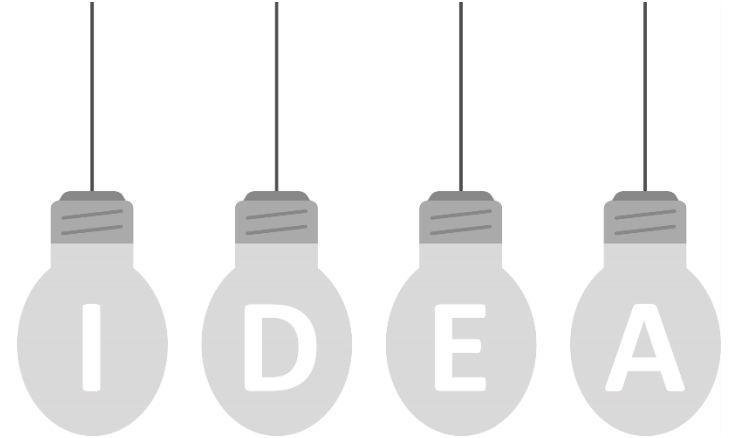
Next Steps

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 - Feedback options
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- DES will compile feedback and make appropriate revisions to policy documents.
- Policy will be finalized and sent to stakeholders for implementation.



Competitive Solicitation Policy or Guideline

Session Objective:



We want your input on the concept of a competitive solicitation policy/process.



Competitive Solicitation

Statutes:

RCW 39.26.120 states that all purchases of or contracts for goods and services must be based on a competitive solicitation process.



Competitive Solicitation

RCW 39.26.160

- Lays out decision making process to award
- Determination of a responsible bidder
- Determining the lowest responsive bidder
- Bid evaluations



Competitive Solicitation

Feedback discussion:

- Please review the sections referenced above in RCW 39.26.160 and let us know if there is any further clarification or guidance that should be included in the policy/process?
- Should the policy or process include guidance on the types(i.e. RFx, IFB, etc.) of solicitations available, when to use, and general information about each type?



Competitive Solicitation

Feedback discussion cont.:

- What types of solicitation documents are used in your agency?
- What are your agency's needs in a policy or guide for competitive solicitations?
- Other information that we should be aware of or research?



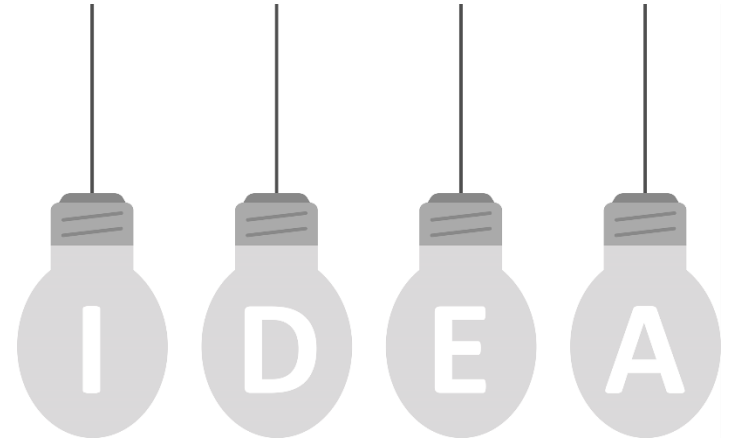
Next Steps

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 - Feedback options
 - E-mail the [Feedback Form](#) to DESmiEnterpriseProcurementPolicy@des.wa.gov
 - Contact one of the Enterprise Procurement Policy team members
- DES will compile feedback, which will inform a policy, procedure and/or guidance draft.
- Policy/procedure/guidance drafts will be shared with stakeholders at the Spring 2020 Policy Workshop.



Supplier Diversity Policy

Session Objective:



We want your input on the concept of a supplier diversity policy.



Supplier Diversity Policy

RCW 39.26.005 Intent

The legislature intends that the state develop procurement policies, procedures, and materials that encourage and facilitate state agency purchase of goods and services from Washington small businesses.



Supplier Diversity Policy

RCW 39.26.090(6)

DES is to develop procurement policies and procedures, such as unbundled contracting and subcontracting, that encourage and facilitate the purchase of goods and services from Washington small businesses.



Supplier Diversity Policy

RCW 39.26.010(22)

To qualify as a small business – the business must:

- Be a Washington state business
- Have fifty or fewer employees
- Have a gross revenue of less than seven million
- Or be certified with the Office of Minority and Women-Owned Business Enterprises

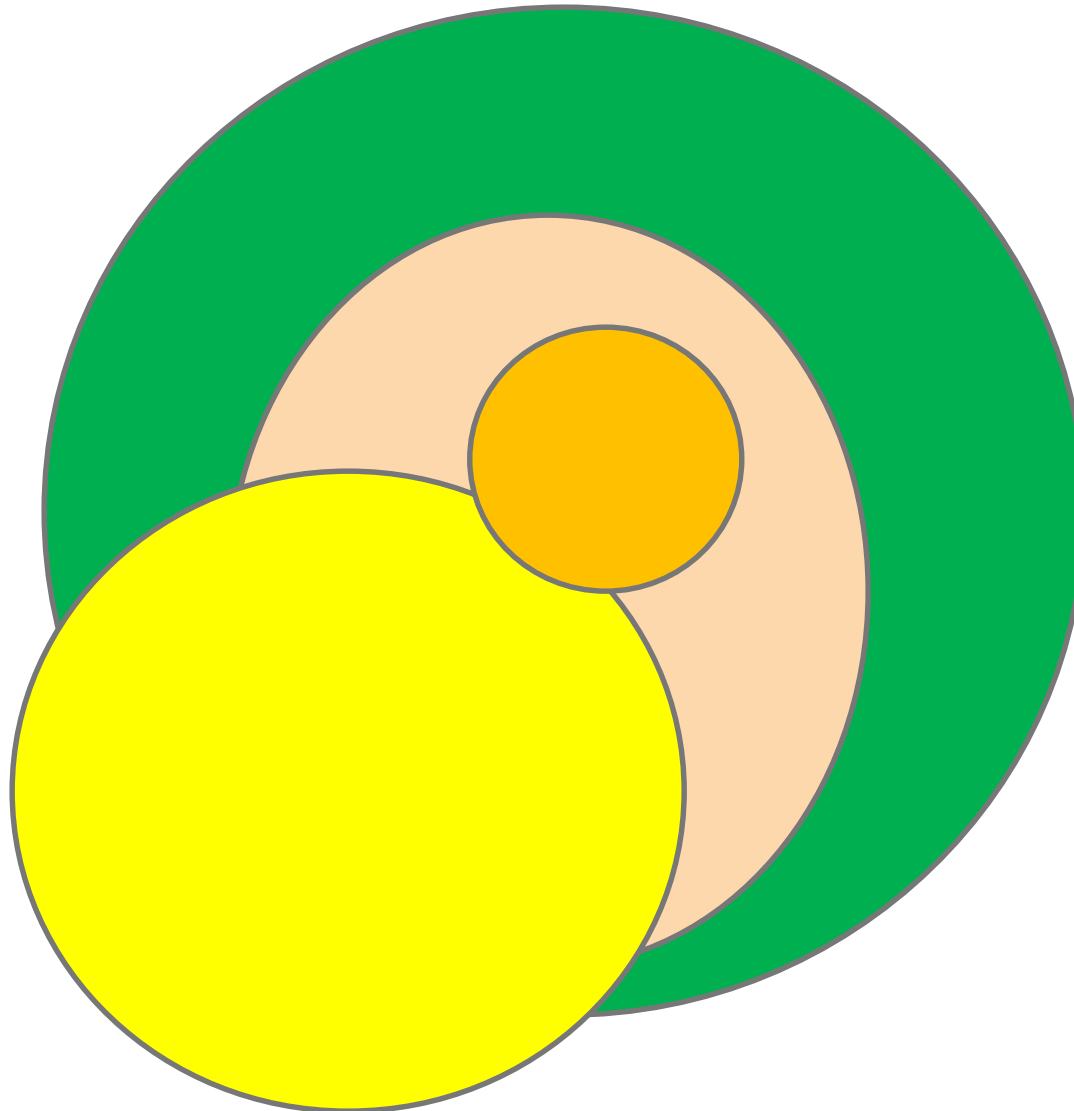


Supplier Diversity Policy

- With small businesses there are two subcategories:
 - Minibusiness
 - Operated independently from other businesses
 - Gross revenue of less than \$3 million
 - Microbusiness
 - Operated independently from other businesses
 - Gross revenue of less than \$1 million



Supplier Diversity Policy



Green: WA Small
Tan: Mini
Orange: Micro
Yellow: Minority
and Women-
Owned



Supplier Diversity Policy

Feedback discussion:

- What are your agency's needs in a supplier diversity policy?
- Other information that we should be aware of or research?



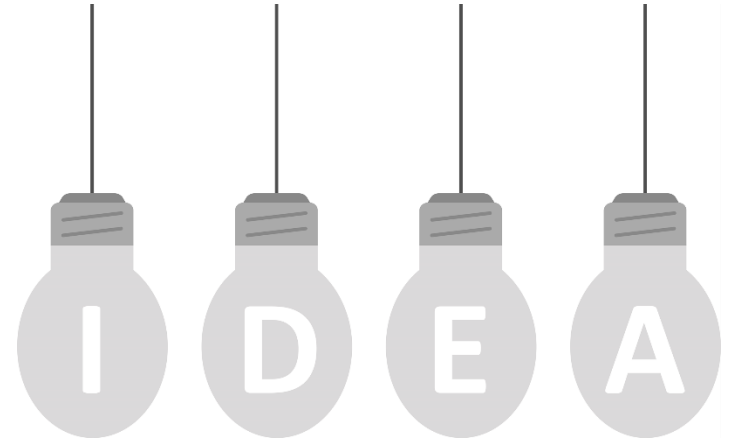
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 - E-mail the [Feedback Form](#) to DESmiEnterpriseProcurementPolicy@des.wa.gov
 - Contact one of the Enterprise Procurement Policy team members
- DES will compile feedback, which will inform a policy draft(s).
- Policy draft(s) will be shared with stakeholders at the Spring 2020 Policy Workshop.



Executive Order 19-01 Policy

Session Objective:



We want your input on the concept of a policy to implement Executive Order 19-01 (procurement practices and preferences to promote state agency contracting with veteran owned businesses).



Executive Order 19-01 Policy

Background:

Under Executive Order 19-01 (signed on 5/13/19), DES in conjunction with the Department of Veteran's Affairs (DVA), and the Office of Minority and Women Business Enterprises (OMWBE), is responsible for establishing a new policy regarding procurement practices and preferences to promote state agency contracting with veteran owned businesses.



Veteran and Servicemember Owned Businesses

- Veteran Owned Business Certification
- Purchasing Goals
 - ESB 5041 3% Non-competitive purchases
 - Governor's Executive Order 13-01 and 19-01
5% all purchases
- There are currently 1,535 Certified Veteran-Owned Businesses



What Does Certification Mean:

1. Proof of Honorable Veteran Status

Veteran - DD214, Retired VA ID Card, Retirement Certificate, Discharge Certificate

Currently serving -Military ID, badge, recent paystub, or letter on military letterhead.

(If you need to order a new copy of your DD214 you can do so at www.archives.gov)

2. Proof of 51% ownership

Master Business application, business plan, operating agreement, meeting minutes, shares report, stock certificate breakdown, tax forms with ownership % such as schedule K, or if sole proprietorship your license.

3. Be a Washington State Enterprise.

An enterprise which is incorporated in the state of Washington as a Washington domestic corporation, or an enterprise whose principal place of business is located within the state of Washington for enterprises which are not incorporated.



Identifying OMWBE, Veteran Owned or Small Businesses in WEBS

Washington's **e**lectronic Business Solution

HOME LOGOUT

Search For Vendor : [help](#)

Identify search criteria using any combination of filters below

Vendor Name Vendor FEIN (TIN)

City State Zip

(Select a State)

Search By Commodity Code(s) [Search Commodity Codes](#)

Commodity Code	Title
	1

OMWBE status
(To select more than one option, hold down 'ctrl' or 'cmd'.)

Minority owned

Woman owned

Self-Certified Washington Small Business

Washington Certified Veteran-Owned Business

Pre-qualification list
(None)

Certifications
Select certification names. (To select more than one option, hold down 'ctrl' or 'cmd'.)

A2LA Lab / ISO 9000
CRP

Counties
(To select more than one option, hold down 'ctrl' or 'cmd'.)

Adams
Asotin

Check-Boxes in WEBS!



What are the benefits of being certified for Veteran and Service-member Owned Businesses?

- Linked Deposit Loan Program available for Certified Veteran Businesses
- Marketing tools, including WEBS system and WDVA electronic register
- Outreach access to contracting & procurement opportunities

Executive Order 19-01 Policy

Feedback discussion:

- What are your agency's needs in a policy to promote procurement with veteran owned businesses?
- Should this become part of the Supplier Diversity Policy?
- Other information that we should be aware of or research?



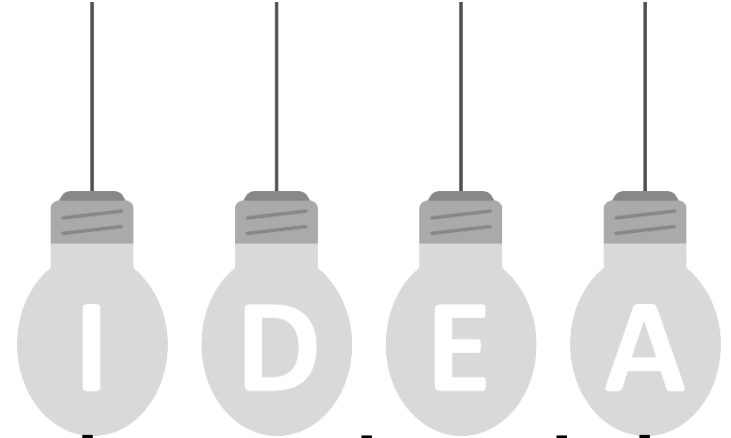
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- Policy draft will be shared with stakeholders at the Spring 2020 Policy Workshop.



Bonds Policy

Session Objective:



Learn about agency bond practices and needs in order to draft a useful policy



RISK



What is a Bond?

- It has nothing to do with spies.
- Instead, bonds are used to ensure that certain things happen.



Bonds Policy

Under RCW 39.26.190, refers to the following types of procurement related bonds:

1. Performance
2. Bid
3. Protest
4. Other



Bonds Policy

Each bond is used for a different purpose:

- Performance bonds

Used to guarantee a contractor's satisfactory completion of a contract.

- Bid bonds

Used by a contractor to guarantee to the agency that the winning bidder will undertake the contract on the bid terms.



Bonds Policy

- Protest bonds

Used to ensure the fairness of the competitive process and to prevent frivolous protests.

- Other bonds

For example, payment bonds are used to guarantee that a contractor will pay its subcontractors.



Bonds Policy

The use of a bond should be carefully considered:

- A bond requirement may restrict competition especially for small businesses.
- May raise the cost of the contract as the cost of the bond may be passed to the agency by the vendor.



Bonds Policy

Feedback discussion:

- Does your agency use bonds when procuring goods/services?
- How is their use helpful?
- What are your agency's needs in a procurement related bond policy?
- Other information that we should be aware of or research?



Next Steps

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 - Contact one of the Enterprise Procurement Policy team members
- DES will compile feedback, which will inform a policy draft.
- Policy draft will be shared with stakeholders at the Spring 2020 Policy Workshop.



DES Enterprise Procurement Policy (EPP)

EPP Staff	Phone/E-mail	Areas of Concentration
<p>Drew Zavatsky Risk Assessment Manager</p>	<p>(360) 407-7915 Drew.Zavatsky@des.wa.gov</p>	<p>Risk Assessments, Delegations of Authority requests, Sole Source/Emergency Filings, Delegation of Authority & Sole Source policies</p>
<p>Christine Warnock Strategic Business Initiatives Manager</p>	<p>(360) 407-9398 Christine.Warnock@des.wa.gov</p>	<p>Enterprise Procurement Policies, Sole Source/Emergency Filings</p>
<p>Farrell Presnell Enterprise Procurement Policy Manager</p>	<p>(360) 407-7937 Farrell.presnell@des.wa.gov</p>	<p>Enterprise Procurement Policies, Sole Source/Emergency Filings, Delegations of Authority requests</p>
<p>Enterprise Procurement Policy</p>	<p>DES' Enterprise Procurement Policy mailbox.</p>	

Enterprise Procurement Policy website:

[Draft Enterprise Procurement Policies](#)

