



# **ENTERPRISE PROCUREMENT POLICY WORKSHOP**

Presented by:  
Enterprise Procurement Policy Team  
Farrell Presnell  
Christine Warnock  
Drew Zavatsky



# *Workshop Objectives*

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1. Streamline the policy development process
2. Obtain meaningful feedback on each policy
3. Confirm the value of the workshop approach



# *Housekeeping Items*

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- **Toll free call-in number: 1-855-929-3239**  
**Access Code: 809 996 315**
- **Session attendance**
- **Emergency evacuation**
- **Restrooms**



# Questions/Feedback

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- This workshop is designed for us to listen to all of your feedback. We welcome all feedback particularly when it provides information that helps us understand your point and proposes possible solutions.
- We are taking notes of all the questions/feedback that are received from participants in the room.
- If you are participating by phone, please provide questions/feedback at [DESmiEnterpriseProcurementPolicy@des.wa.gov](mailto:DESmiEnterpriseProcurementPolicy@des.wa.gov).
- All feedback will be summarized and shared with you on our webpage.



# *Session Objective*

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**We want your input on the new  
Washington Grown Food Policy.**



# Washington Grown Food

State	Preference
California	5% Price incentive
Colorado	Price reasonably exceeds
Connecticut	If comparable in cost
Georgia	Reasonableness based on the effect on state gross domestic product and public revenues
Hawaii	10%-15%
Illinois	10% Price
Kentucky	Must meet price and quality standards
Louisiana	7%-10%
Maine	New – adopting rules
Maryland	Not to exceed 5%
Massachusetts	Not to exceed 10%
Montana	Price reasonably exceeds/direct buy
New York	Purchasing agency can require that some or all of the food be NY grown
Tennessee	If cost and quality are equal
Texas	If cost and quality are equal
Washington	Can require bidders to provide a plan for including Washington grown food; also exempt from competition



# Washington Grown Food

## Draft Policy:

Department of Enterprise Services		Page 1 of 2
 <b>WASHINGTON STATE PROCUREMENT POLICY</b>		
Revision Effective Date: Approved by: /s/		Cancel: REV 01-08-15 See Also: <a href="#">RCW 39.26.090</a> , PRO-DES-130-XX

### POL-DES-130- XX PURCHASING WASHINGTON GROWN FOOD

This policy applies to State Agencies purchasing food

1. Food purchases shall be made in accordance with [RCW 39.26.090](#) and [RCW 39.26.125](#).
2. Agencies are encouraged to purchase Washington grown food to the maximum extent possible except when it is inconsistent with international trade commitments.
3. "Washington Grown Food" means food that is grown and packed or processed in Washington
4. Agencies must use existing qualified master contracts unless they cannot justifiably satisfy agency needs as documented by the agency.
5. All food contracts must include, to the maximum extent practicable, a plan for the availability of Washington grown food except when it is inconsistent with international trade commitments.
6. The purchase of Washington grown food is exempt from competitive solicitation requirements



# *Washington Grown Food*

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- Encourages the purchase of Washington grown food
- Requires in food contracts to the extent practicable bidders/contractors include a plan for the availability of Washington grown food
- Exempts the purchase of Washington grown from competitive solicitation requirements





# *Washington Grown Food*

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- Is the policy clear?
- Does the policy create challenges or barriers?
- Any additional comments



# Next Steps

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- Please provide feedback by September 26<sup>th</sup>
  - Feedback options
    - E-mail at DESmiEnterpriseProcurementPolicy@des.wa.gov
    - Contact one of the Enterprise Procurement Policy team members
- Make revisions to draft policy by October 12<sup>th</sup>
- Target completion date is October 30<sup>th</sup>



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# *Session Objective*

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**We want your input on the Draft Delegation of Authority Policy, which is an update the current DES Policy #DES-090-00.**



# *Delegation of Authority*

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- Overview of developing the policy refresh
- Four questions:
  - a. Is there anything that would be a barrier to using the updated policy, or prevent reaching the intent of the policy updates?
  - b. Does the policy support your business needs?
  - c. Does the updated policy improve clarity on using an agency's delegated authority?
  - d. Is the new format simpler and easier to use?



# Next Steps

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# *Session Objective*

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**We want your input on the new Omnibus Environmental Policy.**



# Environmental Policy

## Many considerations:

Recycled Paper (RCW 39.24.050/WAC 200-300-085)	Polychlorinated Biphenyls (PCB) (RCW 39.26.280)
Persistent Toxic Chemicals (RCW 70.76/EO 04-01)	Perfluorinated Chemicals (PFAS) – firefighting foam (RCW 70.75A.020 from SB 6413)
Biofuels (RCW 43.19.642)	Perfluorinated Chemicals (PFAS) – food packaging (RCW 70.95G.070)
Clean Technologies (RCW 43.19.663)	Electric/Clean Fuel Vehicles (RCW 43.19.637 & 648/EO 14-04)
Strawboard (RCW 43.19A.020(2))	Hazardous Products (RCW 43.19A.070(2))



# *Environmental Policy*

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- Here are the laws we are addressing today:
  - RCW 39.26.255 – Recycled Products Preference
  - RCW 39.26.265 – Electronics Products Preference
  - RCW 70.95M.060 – Mercury Reduction Preference



# *Environmental Policy*

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## **RCW 39.26.255**

**Preferences—Purchase of products containing recycled material—Directory of suppliers—Rules.**

§ (1) – develop specifications and adopt rules (See *WAC 200-300-085*)

§ (3) – addresses the purchase of products containing recycled materials.



# *Environmental Policy*

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## **RCW 39.26.265**

### **Preferences—Purchase of electronic products meeting environmental performance standards**

§ (1) – Establish purchasing and procurement policies that establish a preference for electronic products



# *Environmental Policy*

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## **RCW 70.95M.060**

### **Rules—Product preference {no mercury}.**

§ (1) – Revise its rules, policies, and guidelines to implement the purpose of this chapter.

§ (2) – Give priority and preference to the purchase of products that contain no mercury-added compounds or components.



# *Environmental Policy*

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- Feedback on Approach:
  - Make sense?
  - Challenges/barriers?
  - Impacts?
  - Other environmental requirements/considerations?
  - General comments





# Next Steps

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    - E-mail at DESmiEnterpriseProcurementPolicy@des.wa.gov
    - Contact one of the Enterprise Procurement Policy team members
- Anticipate creating draft policy(ies) by November 2<sup>nd</sup>
- Draft policy(ies) will be sent to stakeholders for review and input



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# *Session Objective*

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**We want your input on the Draft Sole Source Policy, which is a update to the current DES Policy #DES-140-00.**



# *Sole Source Policy*

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- Background
- Main parts of current policy



# Current Policy, Page 1

Policy # DES-140-00	SOLE SOURCE CONTRACTS (RCW <a href="#">39.26.140</a> )
1) Purpose:	<p>This policy provides the following information:</p> <ol style="list-style-type: none"> <li>1) Requirements for justifying a sole source contract.</li> <li>2) Vendor notification requirements.</li> <li>3) Initiating the Department of Enterprise Services (DES) sole source contracting approval process.</li> <li>4) An overview of the DES sole source contracting approval process.</li> <li>5) Satisfying sole source contracting transparency requirements.</li> <li>6) Sole source contracting exemptions.</li> </ol>
2) Enabling Legislation: RCW <a href="#">39.26.140</a>	<p>Effective January 1, 2013 and unless otherwise exempt, all agency sole source contracts must:</p> <ol style="list-style-type: none"> <li>1) Be submitted to DES, with supporting justification, not less than 10 working days prior to the contract start date.</li> <li>2) Be approved by DES before the contract becomes binding, services are performed and goods are received.</li> <li>3) Be made available for public inspection not less than 10 working days prior to the contract start date.</li> </ol> <p>In addition, notice of all agency sole source contract opportunities must be posted on the state's enterprise vendor registration and bid notification system (currently the Washington Electronic Business Solution (<a href="#">WEBS</a>)) for at least five (5) working days.</p>
3) Sole Source Determination and Justification:	<p>It is the intent of the state to promote open competition and transparency for all contracts for goods and services. If an agency concludes that a sole source contract is justified and necessary, the agency must:</p> <ol style="list-style-type: none"> <li>1) Validate that the proposed contract meets the sole source definition in RCW <a href="#">39.26.010</a> (24).</li> <li>2) Verify a competitive process is not warranted. See Vendor Notice below.</li> <li>3) Prepare the sole source contract and all related supporting documentation necessary to initiate the DES approval process.</li> </ol>
4) Vendor Notice:	<p>In addition to submitting the required supporting documentation, vendors must be given notice and an opportunity to demonstrate that a sole source contract is not justified. Accordingly and unless otherwise exempt, state law requires that at a minimum, sole source contract opportunities must be</p>



# *Sole Source Policy*

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§ 2 – Ten-day minimum filing requirement with DES

Contract not binding if DES does not approve it

§ 3 – Three-part justification for a sole source contract

§ 4 – Must give vendors notice



# Current Policy, Page 2

	<p>posted on <a href="#">WEBS</a>. Agencies must:</p> <ol style="list-style-type: none"> <li>1) Use/choose applicable WEBS commodity codes for the product or services being procured including those used by the prospective sole source vendor.</li> <li>2) Use WEBS to post a notice of intent to award a sole source contract for not less than 5 working days. The notice must include:             <ol style="list-style-type: none"> <li>a. A description of the purpose and scope of the contract.</li> <li>b. The criteria or rationale justifying the sole source contract.</li> <li>c. The name of the prospective contractor.</li> <li>d. The projected contract value.</li> <li>e. The period of performance, including options for extensions.</li> <li>f. Process for vendor inquiries or responses, including timelines and requirements.</li> </ol> </li> </ol>
5) Initiating DES Sole Source Contract Approval Process:	<p>To initiate the DES approval process, agencies are to utilize the DES <a href="#">Sole Source Contract Database</a> (SSCD). The SSCD will prompt the agency to:</p> <ol style="list-style-type: none"> <li>1) Respond to the sole source justification questionnaire.</li> <li>2) Submit evidence demonstrating the sole source contracting opportunity has been posted on <a href="#">WEBS</a>.</li> <li>3) Upload a copy of the sole source contract.</li> </ol>
6) DES Approval Process	<p>Unless otherwise exempt, RCW <a href="#">39.26.140(2)</a> states that no sole source contract will be binding unless it is approved by DES. The statute also requires the submittal to DES be not less than 10 working days to enable DES to process sole source contract filings. Agencies are encouraged to budget ample lead time to accommodate the DES approval process, vendor notice requirements, and transparency requirements. In determining whether to approve a sole source contract filing, DES will review all information submitted including vendor challenges and the agency response.</p> <p>Any sole source contract set to begin any time prior to or during the DES processing period will be flagged as a “late filing” and will not receive approval even if all other sole source criteria has been satisfied.</p>
7) Transparency for the Public:	<p>RCW <a href="#">39.26.140(1)</a> requires that prior to the contract start date, agencies must make sole source contracts available for public inspection for a period of not less than 10 working days. As an interim solution, agencies must post on the agency website either the sole source contract(s) or notice and instructions on how to obtain a copy of sole source contracts. For audit purposes, agencies are encouraged to include in their contract file evidence (e.g. screen print out of webpage) that the 10 business day posting requirement has been met.</p> <p>DES will be working on developing a state sole source contracts web page where all agencies will be able to post sole source contract information.</p>





# *Sole Source Policy*

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§ 4 (cont.) – Six elements for vendor WEBS notice

§ 5 – Instruction to use the Sole Source Database

§ 6 – Defines “late filing” of a Sole Source contract

§ 7 – Agency web site posting requirement

§ 8 (not shown) – Substantive amendments must be posted in WEBS



# *Sole Source Policy Question*

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- The current policy has 14 different parts. Other than exemption considerations (covered later), is the policy complete? If not, how can it be improved?



# Current Policy, Exemptions, pt. 1

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9) Exemptions:	<p>The following types of contracts are exempt from this Sole Source Contracts policy:</p> <ol style="list-style-type: none"><li>1) Qualified Master Contracts and Direct Buy procurements.</li><li>2) Qualified contracts with Community Rehabilitation Programs under RCW <a href="#">39.26.230</a>.</li><li>3) Original equipment manufacturer (OEM) maintenance service contracts and parts purchases when procured directly from the OEM.</li><li>4) Software maintenance and support services when procured from the proprietary owner of the software. The procurement of software maintenance and support from third party vendors is not exempt from this policy.</li><li>5) Contracts where the vendor is specifically required by a grant or legislation.</li></ol>
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Any feedback that would assist agencies in achieving their procurement goals?



# Current Policy, Exemptions, pt. 2

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- 6) Expert witness contracts with the Attorney General's Office, or agencies with administrative adjudicative authority.
- 7) Contracts for medical, surgical and dental decisions made by medical professionals.
- 8) Contracts related to educational curriculum.
- 9) Contracts with Correctional Industries established under RCW [39.26.251](#).
- 10) Contracts related to collaborative research.
- 11) Interagency and interlocal agreements.
- 12) Contracts for services related to banking supervision.
- 13) Postal and postal service when not using consolidated mail.

Any feedback that would assist agencies in achieving their procurement goals?



# Current Policy, Exemptions, pt. 3

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- 14) Utilities such as garbage, heat, sewer, cable television, power, water, fire protection and recycle services.
  - 15) Contracts and procurements related to professional development such as conferences, seminars, professional licenses and memberships, professional organizations, and professional publications.
  - 16) Replacement or repair of rental equipment when required by the rental agreement.
  - 17) Contracts with instate nonprofit agencies for the blind under RCW [19.06.020](#).
  - 18) Contracts awarded by institutions of higher education from non-state funds.
- 
- 19) Mass media services (e.g. newspapers, journals, television, radio, or billboards) only when no comparable competition exists for reaching the target audience with the intended media type.
  - 20) Used goods to include equipment, vehicles and furniture only when no comparable competition exists.



Any feedback that would assist agencies in achieving their procurement goals?



# *Sole Source Policy*

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- Any additional improvements to the policy?



# Next Steps

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# *Session Objective*

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**We want your input on the Draft Direct Buy Policy, which is an update to the current DES Policy #DES-125-03.**



# *Direct Buy Policy*

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## **Background:**

- **RCW 39.26.125**
- **History of limits**



# *Direct Buy Policy*

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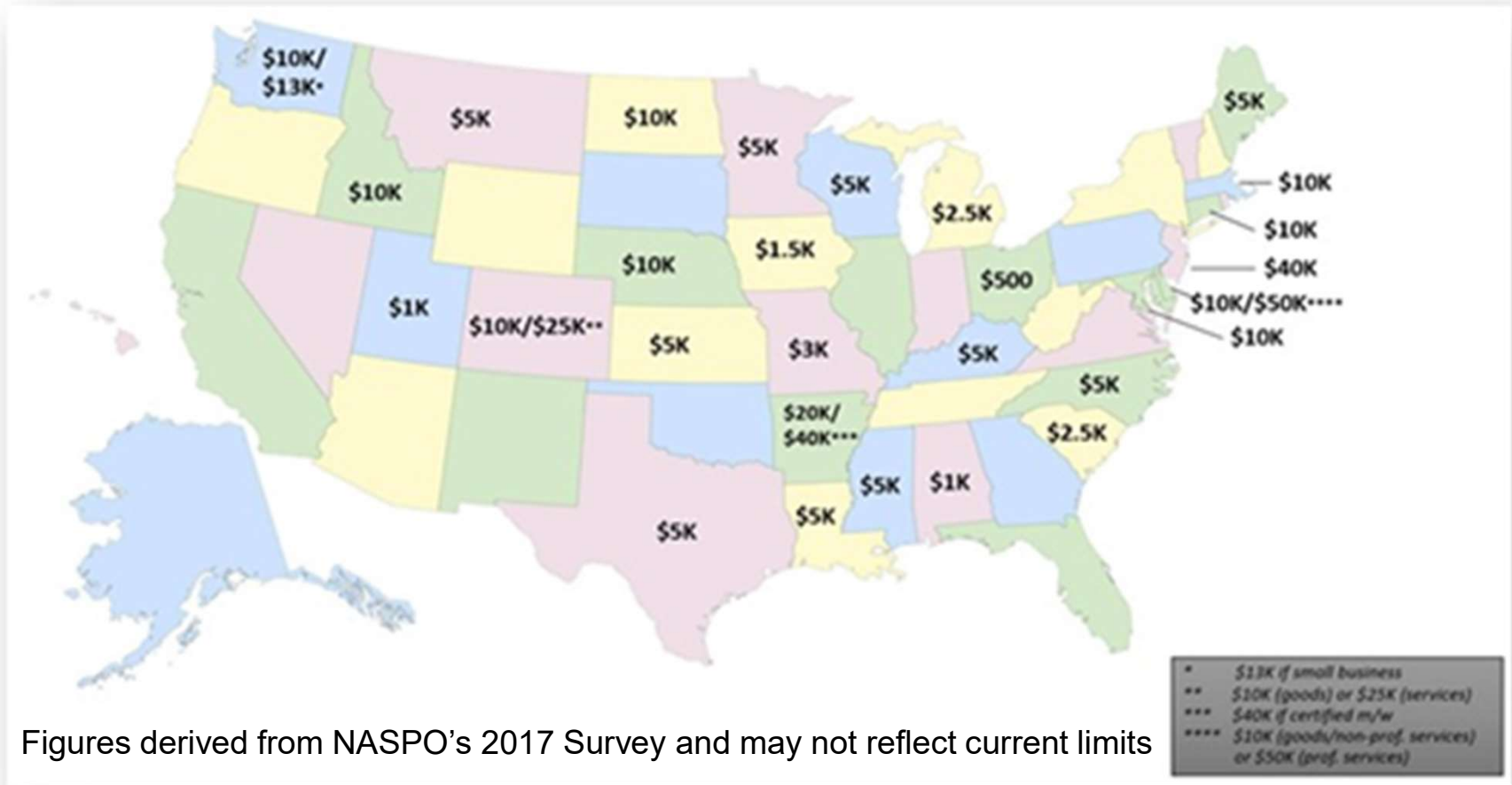
## **Initial stakeholder feedback:**

- Almost 100% proposed increase in limit, ranging from \$15,000 - \$150,000
- Request for clarity on:
  - Shipping & tax (included or not?)
  - Use of master contracts with direct buy purchases (are master contracts required to be utilized)
  - Repetitive purchases
- Expand FAQs to address feedback



# Direct Buy Policy

## Data:



# Direct Buy Policy

## Data:

- Data from FY '17 Agency Contract Reporting:  
Total FY '17 Contracts (competitive and direct buy) = 18,010 for a total dollar amount of \$7,411,935,556

Data Analysis:	Number of Contracts	% of Total	Cost of Contracts	% of Total
\$10,000 Direct Buy Limit:	10,590	58.80%	21,514,803	0.3%
\$13,000 Direct Buy Limit:	11,137	61.84%	27,855,280	0.4%
\$20,000 Direct Buy Limit:	12,094	67.15%	43,763,967	0.6%
\$50,000 Direct Buy Limit:	13,873	77.03%	103,110,368	1.4%
\$70,000 Direct Buy Limit:	14,435	80.15%	136,490,650	1.8%



Total for cost of contracts may contain values for multi-year contracts.



# *Direct Buy Policy*

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- Feedback discussion:
  - Is the new format simpler and easier to use?
  - Does it provide clarity regarding initial feedback?
  - Does the policy create challenges or barriers?
  - What limits would help agencies to identify opportunities to increase their voluntary spend with certified businesses? And why?



# Next Steps

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    - E-mail at DESmiEnterpriseProcurementPolicy@des.wa.gov
    - Contact one of the Enterprise Procurement Policy team members
- Target completion: December 2018





# DES Enterprise Procurement Policy (EPP)

EPP Staff	Phone/E-mail	Areas of Concentration
<p><b>Farrell Presnell</b> Enterprise Procurement Policy Manager</p>	<p>(360) 407-7937 Farrell.presnell@des.wa.gov</p>	<p>Delegations of Authority, Enterprise Procurement Policies, Sole Source/Emergency Filings</p>
<p><b>Christine Warnock</b> 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><b>Drew Zavatsky</b> Risk Assessment Manager</p>	<p>(360) 407-7915 Drew.Zavatsky@des.wa.gov</p>	<p>Risk Assessments, Delegations of Authority, Sole Source/Emergency Filings, Enterprise Procurement Policies</p>
<p><b>Enterprise Procurement Policy</b></p>	<p><a href="mailto:DESmiEnterpriseProcurementPolicy@des.wa.gov">DESmiEnterpriseProcurementPolicy@des.wa.gov</a></p>	

