

The Washington Purchasing Manual

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1. Introduction

All procurement laws, rules, policies and trade agreements are intended to achieve sound stewardship of government resources. Pursuant to RCW [43.19.190\(11\)](#), the Washington Purchasing Manual (WPM) contains procedures and guidelines for compliance by all state agencies, including those educational institutions purchasing goods and purchased services. Additionally, the WPM delegates purchase authority of certain goods and purchased services to agencies. It is the expectation of the state that Purchasing personnel exercise diligence in applying the WPM and sound professional judgment in the pursuit of best value purchases.

1.1. Compliance

Agency heads are responsible for ensuring their agency complies with the WPM. Purchasing personnel are responsible for compliance with the requirements of the WPM.

Agency compliance with the WPM may be a consideration for future delegation of purchasing authority consistent with RCW [43.19.190](#) (3).

For the purposes of the WPM, Purchasing personnel is defined as any person who performs any of the following duties for an [agency](#):

- Approves solicitations for advertisements to the public.
- Decides the appropriate acquisition method.
- Identifies and/or selects potential vendors (e.g. – develops a bidder list).
- Solicits bids, proposals, or quotes, from Bidders.
- Evaluates bids, proposals, or other offers, and awards contracts.
- Administers contracts from award to completion.
- Has responsibility for the purchasing/contracting function of the agency.
- Initiates, approves, or signs purchase orders or contracts on behalf of the agency.

1.2. Agency Purchasing Representative

Agencies should designate an agency purchasing representative with operational level oversight. The agency purchasing representative is responsible for:

- Implementing the WPM within the agency.
- Coordinating agency WPM training.
- Functioning as the primary point of contact with the [Office of State Procurement](#) (OSP).

1.3. How to Get Guidance and Help

Your primary point of contact for guidance and help in understanding and implementing the WPM is your designated agency representative.

For additional assistance you may contact the OSP Customer Service Team at (360) 902-7400 or csmail@ga.wa.gov. You can also e-mail to: policyprotestmanager@ga.wa.gov or call: (360) 407-9400.

2. Overview

2.1. Minimum Standards

The policies and procedures in the WPM are the minimum requirements that state agencies are expected to meet and are to be consistently applied regardless of the source of funds (e.g. federal, or local). An agency may adopt additional policies and procedures, or use additional or alternative supporting documentation, as long as the agency meets the required minimum standards.

Agencies are encouraged to establish processes and systems to comply with these requirements and to take advantage of best practices. Change is an ongoing reality in government purchasing, and new legislation can significantly impact procurement decisions. For that reason, it is imperative that state government managers and staff keep abreast of changing requirements. The official online version of the WPM is intended to satisfy these needs.

2.2. General Procurement Principles

The State expects Purchasing Personnel will adhere to the following basic purchasing principles:

2.2.a. PRACTICE ETHICAL BEHAVIOR AND CONDUCT—RCW [42.52](#)

- Always strive to advance and protect the best interest of the state in all purchasing transactions.
- Act with impartiality, fairness, openness, integrity, and professionalism in dealings with suppliers, customers, and the public.
- See RCW [42.52.020](#) and [Ethical Behavior and Conduct](#) section [5.4](#).

2.2.b. ENSURE OPEN AND EFFECTIVE COMPETITION

- Achieve the most beneficial outcome for the state.
- Ensure suppliers are given a reasonable opportunity to do business with the state.
- Bolster public confidence and optimize taxpayer dollars.

2.2.c. ADVANCE THE SOCIO-ECONOMIC GOALS OF THE STATE

- Enhance the opportunity for suppliers and producers of Washington agriculture products to be considered for business.
- Increase the procurement of recycled content products by state governmental agencies, and serve as a model for Washington State citizens and businesses in their purchase of recycled content.
- Support [Correctional Industries](#) in lowering the costs associated with operating the state's criminal justice system and breaking the cycle of recidivism through the purchase of goods and services from inmate work programs.
- Advance employment and career opportunities for disadvantaged persons and persons with disabilities by encouraging state agencies to purchase products and/or services manufactured or provided by Washington State Certified [Community Rehabilitation Programs](#).

- Discourage barriers to opportunities for Washington based businesses desiring to do business with other states.
- Encourage a diverse supplier pool, including small, veteran, minority, and women-owned firms, and encourage their participation in state business.
- Exercise sustainable practices in support of the Governor's [Executive Order 05-01](#).
- Reduce the amount of mercury utilized in government operations, and to eliminate the purchase of products that contain added mercury whenever economically feasible alternatives exist.
- Reduce energy and water consumption and reduce pollution through purchasing products that meet minimum efficiency performance levels.
- See Socioeconomic Goals section [5.2](#).

2.2.d. OBTAIN VALUE FOR MONEY

- Achieve the best possible return from state spend on goods and services.
- Use the "total costs of ownership" or "whole-of-the-life-costs" perspective which may include consideration of environmental factors.
- Ensure fitness for purpose of the goods or services received.
- Consider all relevant price and non-price factors before a final procurement decision is made.
- See [Why Compete?](#)

2.3. Authority for Delegation

Pursuant to the powers granted under RCW [43.19.190](#) (3), the Department of Enterprise Services (DES) has the authority to delegate to state agencies authorization to purchase goods or purchased services. Additionally and in accordance with RCW [43.19.180](#), DES is responsible for ensuring that overall state purchasing and material control policy is implemented by state agencies, including educational institutions, within established time limits.

2.4. Reference Appropriate Authority on Order Documents

The OSP relies on the State Auditor to assess and provide reports to agencies regarding their compliance with all state procurement laws, rules, and policies. To assist the Auditor in determining compliance, it is important for agencies to reference on order documents the appropriate WPM purchase delegation, state contract number, limited purchase authority number, or specific authority number. (See [Limited and Specific Purchase Authority](#) and Part 7, Delegated Purchases). Competitive Procurements and Exceptions

State law requires that insofar as practicable, all purchases must be based on competitive bids, and a formal sealed, bid process. (See RCW [43.19.1906](#)). Examples of the formal competitive procurement using the sealed bid process are the Invitation for Bids ([IFB](#)) or Request for Proposals ([RFP](#)). Some competitive procurements can be done through an informal process. The Request for Quotes ([RFQ](#)) is an example of the informal competition.

Competitive procurements may be conducted by agencies having purchase authority or the OSP may conduct the competition on behalf of the [purchasing activity](#).

There are some circumstances in which competition is not required or has already been satisfied, although other additional actions may still be required. Here is a list of types of purchases where you do not need to go through the competitive process:

- State Contract Purchases.
- Best Buy Purchases (RCW [43.19.190](#) (2)).
- Cooperative Purchases (RCW [39.34](#)) (WAC [236-49-060](#)).
- Emergency Purchases (RCW [43.19.1906](#) (1)).
- Direct Buy Purchases (RCW [43.19.1906](#) (2))
- Sole Source Purchases (RCW [43.19.1906](#) (3)).
- Insurance and Bonds (by division of risk management) (RCW [43.19.1906](#) (4)).
- Purchases for vocational rehabilitation clients (RCW [43.19.1906](#) (5)).
- Purchases by universities for hospital operations (RCW [43.19.1906](#) (6)).
- Purchases for resale by institutions of higher education (RCW [43.19.1906](#) (7)).
- Washington Grown Food (RCW [43.19.1906](#) (9)).
- [Used Equipment Purchases](#).
- [Community Rehabilitation Program](#) Purchases Federal Program Purchase.
- [State Surplus Purchases](#).
- [Correctional Industries Purchases](#).

3. Types of Procurements for Purchased Goods and Services

There are a variety of methods available to agencies to acquire goods and services. This part discusses various methods of acquisition, when to use them, and their requirements.

3.1. Formal Competition—(IFB or RFP)

RCW [43.19.1906](#) requires a formal, competitive process such as [Invitation for Bids](#) (IFB), [Request for Proposals](#) (RFP) and other formal competition processes for purchases that exceed the established dollar thresholds (currently \$50,000).

3.1.a. ELEMENTS OF A SOLICITATION DOCUMENT

At a minimum the solicitation document needs to include:

- General and special instructions to bidders.
- Standard terms and conditions.
- Any other relevant special terms and conditions.
- [Specifications](#) and/or requirements of the goods and services needed.
- Description with sufficient specificity of what is to be purchased and in what quantity.

- Price sheets.
- Any relevant cost and non- cost considerations.
- Evaluation and award criteria.
- Signature page.

3.1.b. PROCESS REQUIREMENTS:

- Solicitations must be in writing.
- [Public Notice](#) shall be provided using [Washington's Electronic Business Solution \(WEBS\)](#).
- Responses must be recorded. (See [Bid Opening](#)).
- Contract must be awarded to the lowest responsive responsible Bidder. (See [Responsibility Factors](#)).
- Cancellation of a solicitation must meet certain criteria. (See [Re-Bid or Cancelation](#)).
- Negotiations are only allowed with the lowest responsible bidder. (See [Negotiations](#)).
- Certain statutory preferences must be applied. (See [Price or Cost](#)).
- Responses must be received no later than the stated due date and time. [Late Bids](#) will not be considered and may be returned to the Bidder unopened or retained at the state's option.
- The solicitation requirements may only be changed or amended if the change is issued prior to the bid opening. (See [Bid Amendment](#)).
- If the equipment, supplies, and other products purchased contain added mercury, the [Purchase File](#) must be properly documented. (See [Mercury Reduction](#)).

3.1.c. EVALUATION CRITERIA

The following evaluation criteria are required:

- [Responsiveness—Bidder](#) conformed to all solicitation requirements.
- [Responsibility](#)—Bidder is qualified and capable of fulfilling contract obligations.
- [Pricing or cost](#) factors—Pricing of responsive Bidders is evaluated.
- Non-cost factors - Non-cost factors (such as service or delivery) of responsive Bidders is evaluated.

For a more detailed description, see the [Formal Sealed Bid Process](#).

3.2. Informal Competition--(RFQ)

Purchases between \$5,000 and up to \$50,000 (before trade-in allowance, sales tax and freight charges) may be procured through a more [Informal](#) process than [Formal](#) sealed bid process but still must be competitively solicited. (See RCW [43.19.1906\(2\)](#)). A [Request for Quote \(RFQ\)](#) is often used for soliciting quotes when the end user knows precisely what goods are needed but does not necessarily require in-depth evaluation of non-cost considerations beyond the Bidder's ability to meet the required delivery schedule.

3.2.a. PREPARATION OF RFQ

The following templates and tools are available for your convenience and compliance:

- [Request for Quote](#).
- Standard Terms and Conditions (See [Competitive Procurement Standards](#) (CPS)).

3.2.b. ELEMENTS OF AN RFQ

The following elements should, at a minimum, be included in an RFQ:

- Administrative information: requisition number; name, address (including room number), and phone number of purchasing office, and any special shipping instructions.
- Standard terms and conditions of the contract (e.g. CPS).
- Any special terms and conditions.
- The purchase description.
- Product or service specifications.
- Evaluation and award criteria.
- [Delivery requirements](#).
- Destination address.
- Quantity of units needed.

3.2.c. PROCESS REQUIREMENTS:

- A contract with a value that is projected to be less than the formal sealed bid limit (currently \$50,000) may be solicited using a RFQ. (See RCW [43.19.1906](#) (2)).
- A minimum of one certified minority-owned business (MBE) and one certified woman-owned business (WBE) must be invited to quote. (See [Socioeconomic Goals](#) and RCW [43.19.1906](#) (2)).
- A minimum of three quotations are to be secured and Bidders must be notified using [WEBS](#). If fewer than three sources are solicited, the reasons are to be explained in writing and included in the Purchase File. (See sections on [Public Notice](#) and [Socioeconomic Goals](#) for additional information. See also, RCW [43.19.1906](#) (2) and RCW [43.19.1908](#)).
 - **Example:** 1-MBE + 1-WBE + 1-WA Small Business = Compliance
- The quote in response to the WEBS bid notification may be either written and/or oral as specified by the purchasing activity.
- The RFQ must identify a due date and time. [Late responses](#) will not be considered.
- The RFQ may be changed or amended, provided the modification is issued prior to the due date and time specified.
- The contract is to be awarded to the lowest responsive and responsible quote. (See [Responsibility Factors](#)).
- If the equipment, supplies and other products are purchased contain added mercury, the Purchase File must be properly documented. (See [Mercury Reduction](#)).

3.2.d. ORAL OR WRITTEN QUOTE?

An oral quote, such as a telephone quote, is sufficient for many purchases up to \$50,000 and is often the most efficient procurement method although [Public Notice Requirements](#) must still be satisfied (See RCW [43.19.1908](#)). A written solicitation may be more advantageous when:

- Increased competition is desirable.
- The specification or statement of work is too involved to be adequately communicated orally.
- A quote is needed for multiple items and to protect against the possibility of any misunderstanding.
- Procurement process integrity and transparency may be warranted.
- When conducting an RFQ, the CPS should be incorporated by reference in the solicitation (or other document if getting oral quotes) and provided to the Bidder. Inclusion of these provisions in the solicitation (and later, in the purchase order by reference) is intended to ensure that potential suppliers understand that the state's terms and not a supplier's commercial contract terms will govern any resultant contract and subsequent purchase order.

3.3. OSP Conducted Requisitions

3.3.a. WHEN TO REQUEST OSP TO CONDUCT YOUR ACQUISITION

Contact OSP to conduct your acquisition under the following circumstances:

1. The needed good or service is not already available from an existing state contract or approved purchasing cooperative; and

The authority to purchase the good or service has not been delegated to the agency in the WPM, a [limited purchase authority](#) or a [specific purchase authority](#); or

2. The purchase is listed in [Part 8](#) Non-Delegated Purchases.

A [Purchasing Decision Tree](#) is available at the end of the WPM to assist you in determining the appropriate method of acquisition.

3.3.b. HOW TO REQUEST THE OSP TO CONDUCT YOUR ACQUISITION

A [Requisition Form](#) is the tool used to initiate your acquisition through the OSP. To make a request, agency purchasing personnel are to prepare an [A15](#) form and forward it to the OSP for processing. A signed requisition document conveys an authorized request for the purchase of goods and/or services and signals that funds have been encumbered for the fulfillment of the purchase. To protect against delays, it is essential that the completed form includes clear and accurate descriptions of requirements and that all necessary internal approvals and clearances have been obtained.

3.3.c. TIMELY SUBMISSION OF REQUISITIONS

The time needed to process requisitions varies greatly depending on the commodity or service required, delivery or performance dates, the dollar value of the requirement, and the method of procurement to be used. Therefore, requisitions should be submitted as early as possible to insure sufficient time to process the requisition and conduct the procurement. Be advised, a requisition that is not properly prepared and fully documented (“ready”) cannot be processed and may be returned to the requisitioner for corrective action. "Ready" requisitions are particularly important near the end of the fiscal year because of the increase in procurement workloads.

3.3.d. END OF BIENNIUM REQUISITIONS

In accordance with the State Administrative and Accounting Manual ([SAAM](#)), section [90.20.25a](#), goods and services approved for purchase using current biennial funds must be delivered on or before June 30, of each biennium.

To help ensure timely delivery of purchases, please remember to:

Provide adequate procurement and delivery lead times. The usual time frame from receipt of a requisition by OSP to issuance of a purchase order averages 45-60 days. In planning lead times, agencies should also consider the additional time required by suppliers to deliver goods. Delivery times may vary significantly based upon a number of factors incurred by the supplier or manufacturer. Delivery after receipt of order for non-stocked items may range 30 to 90 days or longer for capital equipment items (45 to 120 days for factory order contract passenger motor vehicles plus 15 days for OSP processing time).

Allow the longest contracted delivery time when placing orders from state contract suppliers and coordinate specific order delivery requirements with the contractor well ahead of time. Communicate with the contractor periodically to assess status of order. Do not wait until June 30th to follow up.

Specify the delivery date of on or before June 30th, as a condition of the solicitation and resulting order. Otherwise, once a supplier has accepted an order and incurred costs, should you subsequently need to cancel the order because of late delivery, your agency could be liable for termination charges.

Following the above procedures will greatly assist the timely receipt of essential goods and services for the balance of the biennium.

3.3.e. PREPARATION AND REVIEW OF REQUISITIONS

Agency purchasing personnel are responsible for preparation of the requisition using the A15 Purchase Requisition Request form. OSP purchasing personnel will review the form and return the form to the Purchasing Activity if additional information is needed. The completed form with its attachments is to be sufficiently detailed and complete so that the OSP purchasing personnel can begin the procurement planning and scheduling.

For complex or large dollar requirements, it is recommended that purchasers contact OSP customer service (360-902-7400 or csmail@des.wa.gov) to be directed to the appropriate [State Procurement Officer](#) to initiate early individual planning and to discuss the substance of the requirement in order to ensure a requisition package is complete.

3.3.f. KEY REQUIREMENTS

Proper preparation of the A15 Purchase Requisition Request is a key success factor. A “ready” requisition contains the following essential elements:

- Requirements documentation such as specifications or [statement of work](#).
- In-house cost estimates, number of units, and source of funding.
- Delivery or performance schedules.
- List of known sources of supply.
- Required clearances and approvals.

Depending on the type and nature of the requirement, the following additional elements may also be necessary:

- Special conditions, provisions, or circumstances that must be considered.
- Justification for other than full and open competition (e.g. [Sole Source](#)).
- Statement of need for pre-bid conference or site visit.

3.3.g. COMMON PROBLEMS WITH REQUISITION DOCUMENTS

The following is a list of deficiencies and inconsistencies of an A15 Purchase Requisition Request form that will often result in delays and require remedy.

- **Inadequate description.** Failure to provide a complete and detailed description of the required goods and services will invariably stall requisition processing.
- **Unrealistic delivery schedule.** The entire solicitation process from development through award can be complex and time intensive even for well prepared requisitions. To minimize delays and to assist OSP in prioritizing workload, it is recommended that agencies advise OSP of their purchasing needs in the early stages and provide OSP with as much advance notice as possible.
- **Discrepancy between quantity/packaging required and industry practice.** Adjustment may need to be made to ensure that the state makes the most economical buy given the unit, quantity break, and packing practices which are standard for the potential suppliers. Sometimes, units must be converted from one form of measure to another (e.g. from tonnage to cubic yards). To mitigate the delays caused by additional decision points, it is recommended agency purchasing personnel become familiar with the standard packaging of the goods and services to be purchased and communicate that on the requisition.
- **Inadequate indication of delivery point.** It is essential that OSP and thereby suppliers are given a complete address to which delivery will be made and informed of the hours during which goods can be received at destination.
- **Insufficient information on testing requirements.** If a specification dictates compliance testing, the requisition should indicate how, who, when and where the tests may be performed.

- **Failure to attach or provide full information on drawings and plans, or other materials that are available to vendors.** Such documentation, or information on how it can be obtained, must be provided as part of the requisition.
- **Omission of proper authorization.** The requisition will need to be returned for the necessary authorization before processing.

3.4. Exceptions to Competitive Procurement Process

3.4.a. STATE CONTRACTS

Competition is not required when utilizing a state contract as competitive requirements have already been satisfied. The OSP develops, awards, and administers state contracts encompassing a broad array of goods and services for the use of state agencies on an on-going basis. These contracts can also be used by political subdivisions who participate in the state's Purchasing Cooperative.

All agencies are expected to use state contracts provided the contracted items are able to satisfy the agency need. The goal of centralized procurement is to leverage the state's collective buying power in the development of contracts that first and foremost satisfy client business needs but also achieve best overall value.

The OSP incorporates modern procurement practices in which a strong emphasis is placed on harnessing stakeholder collaboration as the means of achieving best results. This includes investigating both client and Bidder needs, understanding marketplace dynamics and modeling total cost of ownership. Best-in-class contracting templates are used to minimize risk and various strategies are deployed to advance the state's economic, diversity and environmental responsibility goals. Please visit the OSP Purchasing & Contracts [webpage](#) for a complete list of all available OSP state contracts.

3.4.a.1. Contract Administration

In managing state contracts, the OSP is responsible for managing:

- The selection of goods and services that will be available on contract.
- Contract pricing and adjustments.
- Contractor performance and dispute resolution.

Agencies are responsible for:

- Verifying receipt of contracted goods and or services.
- Verifying pricing is consistent with contract terms.
- Verifying contractor is performing in accordance with contract terms.
- Ensuring agency is acting in accordance with contract terms.
- Regularly completing and submitting the OSP online [Vendor and Contract Report Card](#).

3.4.a.2. Off-Contract Purchases

Although the OSP works hard to satisfy agency needs when establishing state contracts, there may be some contracts that cannot meet every agency's requirements. If a state contract truly

and legitimately cannot satisfy the agency's business need, then the purchase is considered unavailable on contract. In those rare occasions, agencies are justifiably excused from using state contracts and may purchase "off-contract". Agency purchasing personnel must still conform to all relevant procurement laws, rules, policies and trade agreements. For audit purposes, agencies are responsible for documenting the justification for off-contract purchases. Legitimate reasons for not utilizing a state contract include but are not limited to:

- The minimum order quantity specified in the contract exceeds the agency's needs.
- The contract specifically limits purchases to certain agencies.

3.4.b. BEST BUY PROGRAM

Sometimes it may be found more cost effective to acquire goods or purchase services elsewhere. In such cases, the "[Best Buy](#)" provision allows purchasers to take advantage of these economies if the purchase price is at least 5% below state contract pricing (See RCW [43.19.190](#) (2)). However, before exercising Best Buy, purchaser must first consider the following:

- Were all cost factors considered? Some examples are: warranty, shipping, quantity, insurance, quality, trade-in, life-cycle, installation and prompt payment/volume discounts.
- Did you give the state contractor the opportunity to meet or beat the alternative supplier's offer?
- Does the alternative supplier agree to all the terms and conditions of the state contract?
- Will the Best Buy savings justify labor costs of multiple state employees searching for a better deal?
- Does this supplier meet the responsibility criteria (RCW [43.19.1911](#)(9))?

When exercising the Best Buy provision, agencies are required to first complete the online [Best Buy Reporting Form](#) which provides the OSP with valuable market intelligence that will be useful in negotiating improved contract pricing or to take other corrective action.

3.4.c. COOPERATIVE PURCHASING

Cooperative purchasing is when two or more government agencies or non-profits combine their buying power to obtain advantages of volume purchases, reduction in administrative expenses or other public benefits. A purchasing cooperative is set up by a lead government agency for use by government agencies. Agencies then participate in cooperative purchasing through inter-local agreements. Cooperative purchasing encourages the sharing of information and expertise in specific commodity and service areas, resulting in solicitations that maximize competition as a means of achieving best value contracts. The OSP manages the State Purchasing Cooperative in which local governments and qualified non-profit organizations may join and qualify to purchase from state contracts. For more information about joining the State Purchasing Cooperative contact: (360) 902-7400 or coop@ga.wa.gov.

If no state contract exists for a particular purchase, an agency may consider utilizing a cooperative contract. However, before doing so, the agency must first confirm whether the solicitation process and resulting contract conforms to all procurement requirements. The decision to utilize a cooperative purchasing contract requires a substantial review to ensure the entire procurement process complies procedurally and substantively with applicable laws and

regulations including RCW [43.19](#) (Purchased Goods and Services), RCW [39.34](#) (Interlocal Cooperation Act) and RCW [42.52](#) (Ethics in Public Service). Accordingly, the Purchasing Activity may not utilize a cooperative contract until this criteria is met.

Washington State participates in [Western States Contracting Alliance \(WSCA\)](#) and agencies are permitted to utilize those WSCA contracts for which the state has executed a Participating Addendum.

U.S. General Services Administration ([GSA](#)) Multiple Award Schedules are negotiated price lists from selected vendors of similar products within a given commodity class. Because GSA Multiple Award Schedules are not the result of direct competition between suppliers, they do not meet the state's statutory competitive requirements and therefore they are not to be used by agencies.

3.4.d. EMERGENCY PURCHASES

Pursuant to RCW [43.19.1906\(1\)](#) and [43.19.200\(2\)](#), agencies may make emergency purchases in response to unforeseen circumstances beyond the control of the Purchasing Activity which present a real, immediate, and extreme threat to the proper performance of essential functions or which may reasonably be expected to result in excessive loss or damage to property, bodily injury, or loss of life. Agencies conducting an [emergency purchase](#) must complete a [Declaration of Emergency Purchase Form](#). The completed form should be filed with OSP within three days of the purchase. These purchases are periodically the subject of audits and/or reviews by the State Auditor, various legislative groups, the media, and the general public. Before exercising the emergency purchase provision, agencies should ensure that the purchase meets the definition for an emergency.

Mail the completed form to:
Customer Service Desk
Office of State Procurement
PO Box 41017
Olympia WA 98504-1017

Or email to: csmail@des.wa.gov
Or fax to: 360-586-2426

3.4.e. DIRECT BUY

Agencies may make purchases below \$5,000, excluding sales tax and freight, without soliciting competition, provided:

- The need cannot be satisfied using an existing [state contract](#)
- The agency has [delegated purchase authority](#); and
- The purchase is not for print shop related services or is otherwise prohibited.
- Such purchases may be made based upon the purchaser's experience and knowledge of the market to provide the required quality at the lowest cost. (See RCW [43.19.1906\(2\)](#)). Documentation to support purchase decisions, including price competitiveness, should be included in the Purchase File where appropriate. Even if a purchase is below the direct buy threshold, agencies should seek competition if they have reason to believe that pricing quoted is not competitive with market rates or previous purchase costs. (See [Why Compete](#)).

When conducting purchases under Direct Buy provisions, agencies are encouraged to buy from locally owned small businesses and Veteran Owned Businesses to the extent that such acquisitions are cost effective (See [Think Washington First](#) and [Veteran Owned Business Purchases](#)).

3.4.f. SOLE SOURCE ACQUISITION

A "[Sole Source](#)" purchase means that only one supplier (source), confirmed by thorough research, is capable of delivering the required product. (See RCW [43.19.1906\(3\)](#)). Although rare, there are instances where products are truly sole-source.

An example of sole source situation could be where similar types of products may exist, but only one supplier is able to meet a specific need, for reasons of expertise, standardization, compatibility with existing equipment, or unique specifications.

Competitive procurement is highly favored under state law. Therefore, the Purchasing Activity must be able to show that the purchase is clearly and legitimately limited to a single source of supply. This may be accomplished through communication with experts regarding similar requirements or by utilizing WEBS to invite input from vendors of that commodity. If purchasing personnel determine that an acquisition is sole source, they must include sufficient supporting documentation in the purchasing file. (See [Sole Source Purchasing](#) for more detailed information).

3.4.g. FOOD GROWN IN WASHINGTON

Pursuant to RCW [43.19.1906](#) (9), food grown in Washington is exempt from competition if it is not available from a Washington source on a current state contract. However, the Washington grown food purchased under this exemption must be of an equivalent or better quality than similar food available through the contract and be able to be paid from the Purchasing Activity's existing budget (See RCW [15.64.060](#) for definition). This requirement also applies to purchases and contracts for purchases executed by state agencies, including institutions of higher education.

3.4.h. USED EQUIPMENT, FURNITURE, VEHICLES OR MATERIALS

The Purchasing Activity may purchase used or refurbished equipment, furniture, vehicles or materials from the private sector without competition if the same or similar articles are not available from more than one source. The Purchase File should be documented with the determination made by the Purchasing Activity as to the market competitiveness of pricing and proposed supplier based upon market research. The Purchase File should contain:

- A statement as to the price of like goods if purchased new.
- Documentation of a physical inspection by the purchaser detailing condition of the item.
- Information detailing the item and price along with two independent sources for determining fair market value. Acceptable documentation may include:
 - Guidebook publications.
 - Price guides.
 - Web search appraisals.

- Appraisals from sources not associated with the seller or purchaser. Appraisals should indicate whether a physical inspection of the used equipment was conducted and whether the price is competitive with the market for comparable equipment. Such sources that make the appraisals are usually knowledgeable of a particular market, not just knowledgeable of the equipment.
- If a physical inspection is not conducted, appropriate documentation should be included in the Purchase File outlining the basis for determining the fair market value of the equipment in question.

When requesting the OSP to acquire used equipment and materials in excess of \$50,000 or used vehicles in excess of \$11,500 agencies must submit a properly prepared A15 Purchase Requisition Request form.

3.4.i. COMMUNITY REHABILITATION PROGRAMS

Agencies are encouraged to purchase products and/or services manufactured or provided by [Community Rehabilitation Programs](#) (CRP) of the Department of Social and Health Services which operate facilities serving the disabled and disadvantaged. Acquisitions made from CRPs may be made without competition but agencies must reference RCW [43.19.530](#) on the purchase order for auditing purposes. Agencies have unlimited delegated authority for [purchased services](#) acquired through CRPs. Agencies have up to \$10,000 delegated authority for the purchases of equipment and supplies from CRPs.

Purchases from CRPs must be at the fair market price of such products and services as determined by OSP. (See RCW [43.19.530](#)). When a Purchasing Activity decides to purchase directly from a CRP they must contact OSP to determine fair market price. OSP will determine fair market price based on the requirements of RCW [43.19.530](#) and negotiate for the purchase directly with the CRP. OSP can delegate authority for state agencies to negotiate with a CRP. The fair market price is not negotiable. If the CRP does not accept the fair market price determination, then the Purchasing Activity must seek competition if the good or service is a delegated purchase. If not a delegated purchase, then the acquisition is forwarded to OSP.

3.4.j. QUALIFIED PURCHASES VIA FEDERAL PROGRAMS

Agencies may purchase new, excess, or surplus property through federal programs administered by OSP without going through a competitive process. Contact the programs to determine if you qualify.

Federal Surplus Personal Property Program – Qualified entities are all state and public agencies including school districts or non-profit organizations that provide services in the following areas: health care, education, and assistance to homeless/impooverished families and individuals. Visit the [federal property page](#) for more information.

1033 Program--[Law Enforcement Support Program](#) - Transfers excess military assets to state and local law enforcement agencies. For more information, call (360) 753-3508 option#4.

3.4.k. SURPLUS EQUIPMENT AND MATERIALS

Agencies may purchase or exchange used equipment or materials from another Washington State agency through DES, [Surplus Programs](#) without going through the competitive process. (See RCW [43.19.1919](#)).

Agencies may also purchase used equipment from other public agencies (e.g. City of Seattle, etc.) without going through the competitive process. (See RCW [39.33.010](#)).

When disposing of surplus property, follow [Disposing of State Surplus Property](#) guidelines.

Agencies may transfer surplus property of less than \$500 value to another state agency without charging fair market value. Agencies must:

- Maintain adequate records of such transactions;
- Comply with inventory procedures; and
- Comply with audit and other requirements for those assets.

3.4.l. CORRECTIONAL INDUSTRIES

Class II inmate work programs operated by the Department of Corrections provide goods and services for purchase by state agencies. The inmate work programs are businesses owned and operated by the state and known collectively as [Correctional Industries](#) (CI). Purchases from CI mandatory contracts do not require going through the competitive process.

RCW [72.60.160](#) provides that goods authorized to be produced by CI may be purchased from CI by any state agency or political subdivision. RCW [43.19.534](#) and WAC [236-49-055](#) require state agencies to purchase from mandatory CI contracts. There are exemptions available for goods produced in Washington or services obtained from within Washington. Consistent with RCW and WAC, an exemption from purchasing from a CI contract may be granted when one of the following criteria is met:

- The CI goods or services do not meet the agencies' reasonable requirements, or
- The CI goods or services are not of equal or better quality, or
- The CI goods or services are priced higher than the private sector.

To request a 1-year agency wide exemption, complete and submit to CI an [Exemption from Correctional Industries' State Contract Form](#). Upon receipt, CI will review your request and respond within five (5) working days after receiving the appropriate, completed documents (unless a shorter or longer time frame has been mutually agreed upon). If CI doesn't respond within five (5) working days, the agency may utilize an alternative source of supply.

However, goods or services produced by CI programs which primarily replace goods manufactured or services obtained from outside the state of Washington are not subject to the exemption criteria above, and must be purchased solely from CI. Agencies also cannot use Best Buy (RCW [43.19.190\(2\)](#)) to avoid purchasing such goods and services produced by CI. See, WAC [236-49-055\(4\)](#) and (5).

CI products and services that are not available on mandatory state contracts must be acquired through competition in compliance with the WPM.

3.4.m. MOVING SERVICES

Purchase authority for cost related to employee moves is subject to [Employee Move Guide](#) and SAAM [Chapter 60 Moving Expenses](#) (See RCW [43.03.110](#) and RCW [43.03.120](#)).

4. The Formal Sealed Bid Process

Pursuant to RCW [43.19.1906](#), as much as is practical, purchases should be based on competitive bids. A formal sealed bid procedure should be used as standard procedure for solicitations in excess of \$50,000. This applies to all purchases conducted by the OSP, as well as purchases and contracts for purchases executed by agencies.

The key elements of a successful formal sealed bid process are outlined in the following sections.

4.1. Solicitation Development

When developing a formal solicitation, the OSP recommends using the DES approved solicitation template which can be found in the [OSP Forms Library](#).

4.1.a. BASIC SOLICITATION INFORMATION

Your solicitation document should include:

- Title
- Reference number
- Initial contract term
- Possible extensions and maximum contract duration
- Authorized and/or potential users of the resulting contract
- Procurement coordinator contact information

4.1.b. INSTRUCTIONS TO BIDDERS

The solicitation should include a section that details instructions to Bidders, such as specific preparation instructions, pre-bid conference or site visit requirements (if any), Bidder communication requirements, solicitation due date and time, response submittal address and/or location. (See the DES approved solicitation template which can be found in the [OSP Forms Library](#)).

4.1.c. PURPOSE STATEMENT

Provide a clear statement of the purpose, existing environment, and perceived need, as well as any other background about the procurement which may be appropriate (e.g., historical usage trend, external influences).

4.1.d. SCOPE STATEMENT

Describe the range and parameters of products and/or services that will be available to be purchased under the resulting contract.

4.1.e. PRODUCT AND/OR SERVICE SPECIFICATIONS

Specifications should be articulated to promote competition by identifying minimum functional requirements. Specifications should:

- Be written to describe the need to be fulfilled.
- Emphasize performance rather than design.
- Include performance expectations.

- Include only features needed for an item's intended use.
- Identify the essential characteristics of the item to be purchased.
- Allow for competition to the maximum extent practicable.
- Capture industry input but not be written by any specific bidder. (See [Ethical Behavior and Conduct](#)).
- Allow for commercial, off-the-shelf products if possible.
- Avoid any requirement that may needlessly favor a specific supplier.

For more guidance on this topic see [Specifications](#).

4.1.f. EVALUATION AND AWARD SECTION

Describe in detail how solicitation responses will be evaluated and how the award will be determined. This may include responsiveness check, cost and non-cost consideration, weighting factors, total cost of ownership calculations, and responsibility factors such as references, experience, staffing, and quality assurance. (See RCW [43.19.1911\(9\)](#)).

4.2. Notification and Publication

4.2.a. PUBLIC NOTICE

Public notices are a declaration of what the state proposes to purchase and reflect the openness of the public procurement process. (See WAC [236-48-011](#)). Competitive solicitations (both formal and informal) must at a minimum be advertised. Please see the OFM [Quick Reference Guide](#) for the dollar thresholds for formal and informal solicitations.

Bidders must be provided sufficient time to prepare and submit their bid, quote or proposal. (See WAC [236-48-012](#)).

Pursuant to RCW [43.19.1908](#), all state agencies and institutions must at a minimum use a common approach to register and notify vendors of business opportunities with the state of Washington. That common approach has been identified as the [Washington's Electronic Business Solution](#), ([WEBS](#)) and purchases requiring to competition must be posted on the WEBS.

4.2.b. VENDOR REGISTRY AND SOLICITATION NOTIFICATION SYSTEM

WEBS is a free Internet vendor registration and solicitation notification system. Agencies should encourage all potential suppliers to register in WEBS. For more information please visit <http://www.ga.wa.gov/webs>.

A key benefit of WEBS is that it offers a single online portal where vendors can register to automatically receive electronic notification of bidding opportunities for commodities of their choosing. Vendors can also regularly review the WEBS bid calendar to view current bidding opportunities. Additionally, government purchasers can better expand their reach by posting solicitations on WEBS.

The WEBS vendor registration process also captures demographic information, such as [Minority and Women Business Enterprise](#) MWBE certification or [Veteran Owned status](#). With this information, agencies are better equipped to meet socioeconomic goals. (See also [Expanding Opportunities for People with Disabilities](#)).

4.3. **Pre-Bid Conferences and Site Visits**

Pre-bid conferences and site visits provide an opportunity for dialogue between the Purchasing Activity, its customers, and the vendor community. Both facilitate the timely exchange of information to enable the Purchasing Activity and vendors to clarify solicitation requirements. In addition, any need for changes in specifications or solicitation requirements may be addressed to facilitate a more competitive environment, meet industry standards, or better define state needs.

Pre-bid Conferences and Site Visits are most appropriate when:

- Specifications or customer requirements are highly technical or complex in nature and the likelihood of a misunderstanding is significant.
- The potential benefits outweigh the expenditure of time, cost or resources involved.
- Vendors request a Pre-bid conference.
- The award will be based upon an array of non-cost considerations.
- Subcontracting opportunities for MWBE firms are likely.
- Goods or services have not previously been contracted for or the vendor community is unfamiliar with the state's unique requirements.
- A determination has been made that such action is in the state's best interest.

4.4. **Release of Information**

Throughout the solicitation process, purchasing personnel must not provide any information that might give one Bidder an advantage over others. Should a Bidder request clarification whether written or oral, no additional information with regard to the solicitation is to be provided to one Bidder that is not available to all others. Any clarifications should be done through a formal written amendment. (See RCW [42.56.060](#), RCW [43.19.1911](#), WAC [236-48-003](#), and WAC [236-48-123](#)).

4.5. **Solicitation Amendments**

After release of a solicitation, any changes made to it prior to the due date and time must be done through issuing a written amendment using WEBS. Any oral communication is not binding on the Purchasing Activity. (See WAC [236-46-013](#)).

4.6. **Receipt and Opening of Responses**

4.6.a. **TIMELINESS**

Responses must be received at the location specified no later than the due date and time. To preserve the integrity of the procurement, the purchasing activity is to time and date stamp a properly sealed Bidder response upon receipt to confirm timely receipt. A [late response](#) cannot be considered and will be returned un-opened to the Bidder or retained at the state's option. (See WAC [236-48-012](#)).

4.6.b. **SIGNED**

An authorized signature page must include an original signature in ink (preferably blue) to be considered responsive. A signed copy of an authorized signature page may be accepted

separately if it is received no later than the bid closing date and time. In general, a response lacking an appropriate signature on an authorized signature page will be rejected. However, purchasing personnel may consider responses which include satisfactory evidence of the Bidder's intent to be bound by the terms of their response such as a signed cover letter. A response which is neither signed nor includes satisfactory evidence of bidder's desire to be bound by terms and conditions shall be rejected by purchasing personnel after review of all documents included in the response. If a purchasing activity has implemented a digital or electronic signature policy, a response which is submitted electronically and/or includes a digital signature may be accepted provided it otherwise meets solicitation requirements. (See WAC [236-48-071](#)).

4.6.c. SEALED

A response which is not received in a sealed envelope will be rejected. This includes all envelopes which are secured by metal clasp or twist tie string, or otherwise allow for unauthorized access. A Bidder delivering an unsealed response may correct the deficiency provided it is submitted no later than the due date and time.

4.6.d. DISCLOSURE

Responses and all associated documentation are confidential and must not be disclosed until after contract award. (See [Disclosing Purchasing Information](#), RCW [43.19.1911](#)(8) and WAC [236-48-123](#)).

4.6.e. MISTAKES AND WITHDRAWAL

Mistakes in bids or proposals detected prior to the due date and time may be corrected by the Bidder by withdrawing the original bid or proposal and submitting a corrected bid or proposal to the purchasing activity before the due date and time. If there is not sufficient time prior to the due date and time to withdraw the original bid or proposal and submit a corrected bid or proposal, the bidder, or an authorized representative, may correct the mistake on the face of the original bid or proposal provided that the corrected bid or proposal is time stamped by the purchasing activity upon resubmission prior to the due date and time. (See WAC [236-48-121](#)).

Bidder mistakes in a bid or proposal detected after due date and time may not be corrected. If the Bidder submits evidence in writing satisfactory to the purchasing activity that a mistake has been made by the Bidder in the calculation of its bid or proposal, the purchasing activity may allow the bid or proposal to be withdrawn provided that the claim of mistake and supporting documentation is provided within three business days after the due date and time. Compliance with this section within the specified time limit shall relieve the Bidder of forfeiture of its bid guarantee. If the purchasing activity subsequently reissues the solicitation, the Bidder having made the mistake may not participate in that solicitation. (See WAC [236-48-122](#)).

An authorized Bidder representative is permitted to withdraw its response before the due date and time by submitting the withdrawal request in writing. Withdrawn responses will be returned unopened to the Bidder.

4.7. Evaluating Responses

The core elements typically evaluated in determining the successful Bidder are responsiveness, responsibility, and lowest cost. (See RCW [43.19.1911](#)).

4.7.a. EVALUATION COMMITTEE

Responses are often evaluated by a committee. To protect the integrity of the solicitation process evaluators should each complete a [Declaration of Conflict of Interest and Confidential Information](#) which should be kept in the Purchase File.

Evaluators should be informed that bid information submitted to the state pursuant to the procurement of goods and services under RCW [43.19](#) is not subject to public disclosure until after award of a contract. This includes the content of any solicitation response, including bidders' proposed pricing.

4.7.b. RESPONSIVENESS EVALUATION

Responsiveness means compliance with the requirements of the solicitation. When determining responsiveness, the responses must be evaluated consistent with the solicitation requirements, including specifications and contractual terms and conditions. Absolute conformity is not required but a response must substantially comply with the material aspects of the solicitation. A response that fails to conform to the material requirements of the solicitation is to be rejected. The Bidder is to be notified of the reasons for such rejection (WAC [236-48-098](#)). However, the Purchasing Authority at its discretion may waive an informality in a response (WAC [236-48-124](#)). An informality is defined in rule as an "immaterial variation from the exact requirements of the competitive solicitation, having no effect or merely a minor or negligible effect on quality, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial to bidders" (WAC [236-48-003\(18\)](#)).

Common mistakes that result in a nonresponsive determination include:

- Bidder fails to provide or submit all information as required.
- Bidder does not possess the required credentials, qualifications, certifications, personnel, equipment, or resources to be eligible for consideration.
- Bidder fails to meet the minimum specification requirements.
- Bidder fails to accept the terms, conditions, or requirements of the solicitation.
- Bidder will not accept an award unless the solicitation terms and conditions are modified or altered.
- Bidder indicates that it will only accept an award for all line items when the solicitation allows award by line item or aggregate grouping of line items. (See WAC [236-48-094](#)).
- An authorized signature page is not signed and there is no satisfactory evidence submitted prior to due date and time which clearly indicates the Bidder's desire to be bound by his/her bid such as a signed cover letter. (See WAC [236-48-071](#)).
- The item bid does not meet the stated specifications and the Bidder has not indicated the item bid is an alternate. (See WAC [236-48-083](#)).

4.7.c. RESPONSIBILITY EVALUATION

Responsibility means whether the Bidder has the apparent ability to successfully perform the contract. Factors used in determining responsibility include the Bidder's capability, skill, experience, and reputation. RCW [43.19.1911\(9\)](#) sets out specific criteria that must be given consideration when determining responsibility. These are:

- The ability, capacity, and skill of the Bidder to perform the contract or provide the service required.
- The character, integrity, reputation, judgment, experience, and efficiency of the Bidder.
- Whether the Bidder can perform the contract within the time specified.
- The quality of performance of previous contracts or services.
- The previous and existing compliance by the Bidder with laws relating to the contract or services.
- Such other information as may be secured having a bearing on the decision to award the contract.

Additional criteria may be listed in the solicitation document, such as submission of references, financial statements, certifications, etc.

4.7.d. PRICE AND COST

In determining lowest bidder, other factors may need to be considered beyond proposed pricing to arrive at the lowest total cost to the state such as:

- Transportation, delivery, and installation charges.
- Life cycle costing or energy efficiency of the product throughout the anticipated life of the product.
- Environmental factors.
- Warranty, maintenance, parts, and training.
- Trade-in credit.
- Preferences and adjustments – Prompt Payment, Reciprocity, and Recycled Material.

These factors are explained below.

4.7.e. TRANSPORTATION, DELIVERY, AND INSTALLATION

Transportation costs include the fee charged for transporting and handling the goods to be supplied, delivery fees and installation charges.

4.7.f. LIFE CYCLE COSTING

Whenever there is reason to believe that applying the "life cycle costing" technique to bid evaluation would result in lowest total cost to the state, first consideration must be given by state purchasing activities to the bid with the lowest life cycle cost which complies with specifications (See RCW [43.19.1911\(8\)](#) (f)).

"Life cycle cost" means the total cost of an item to the state over its estimated useful life, including costs of selection, acquisition, operation, maintenance, and where applicable, disposal, as far as these costs can reasonably be determined, minus the salvage value at the end of its estimated useful life. The "estimated useful life" of an item means the estimated time from the date of acquisition to the date of replacement or disposal, determined in any reasonable manner.

4.7.g. ENVIRONMENTAL FACTORS

OSP encourages the use of recycled or environmentally preferable products through specifications for products and services, processes for requests for proposals and requests for qualifications, contractor selection, and contract negotiations (See RCW [43.19.1905](#) (m)). Accordingly, whenever appropriate, the bid evaluation criteria should consider environmental costs and impacts which may include but are not limited to:

- Industry recognized “green” certifications.
- Environmental impact of manufacturing processes and practices.
- Product ingredients (e.g. use of hazardous chemicals).
- Product packaging and recycling practices.
- Green corporate culture, practices and new product innovation.

4.7.h. WARRANTY, MAINTENANCE, PARTS, AND TRAINING

Ensuring that the product(s) supplied will successfully perform throughout its intended useful life may have an associated cost that impacts the total cost to the state. Accordingly, in determining the lowest bidder, it may be appropriate for the evaluation to consider warranty, maintenance repair, training, equipment upgrades, supplies, replacement parts or other related costs.

4.7.i. TRADE-IN

Agencies may trade-in state owned equipment of the same commodity or equipment type. Approval to trade-in state owned equipment by DES is not required. In such transactions, sales tax is paid only on the cost of the new equipment less trade in value per RCW [82.08.010](#) and WAC [458-20-247](#).

4.7.j. PREFERENCES AND ADJUSTMENTS

When evaluating price, certain preferences and adjustments are to be applied to Bidder pricing in advance of price comparisons between Bidders. However, not all preference and adjustment factors will be applicable for every response. The preferences and adjustments to be considered (if applicable) include:

- Prompt Payment Discount.
- Recycled Material Content.
- Reciprocity Adjustment.

Price adjustments should be applied for evaluation purposes using the following formula:

| | |
|----|---|
| \$ | Net purchase price to the state |
| - | Prompt payment discount (as applicable) |
| - | Recycle material content preference (as applicable) |
| + | Reciprocity Adjustment (as applicable) |
| | |
| = | Bidder’s Net Price (for price comparison purposes only) |

Prompt Payment

A prompt payment discount is a reduction in price on the condition that the state pays the invoiced amount due within a certain number of days. Agencies are to pay all obligations in time to take advantage of the maximum discounts offered by Bidders yet agencies are to maximize effective cash management by paying as close to the due date as workable. (See [SAAM](#), section [85.32.50](#)). If the purchase document or contract is silent concerning payment terms or there is no written authorizing document, payment is due in 30 days. The 30 days, or other terms, begin upon receipt of the goods or services or a properly completed invoice, whichever is later. As prescribed in RCW [39.76](#), agencies are obligated to pay interest at the rate of one percent per month on past due amounts when invoiced and there are not other exceptions.

Accordingly, agencies are encouraged to allow Bidders the opportunity to propose a prompt payment discount. However, for evaluation purposes prompt payment discounts should only be based on net 30 days. For example, if a Bidder proposes 1% discount for payment received within 30 days and their bid price was \$100 then, the evaluated price should reflect the 1% discount, in this example \$99.

Recycled material content

For goods containing recycled materials, a price preference may apply as described in RCW [43.19.538](#) and WAC [236-48-096\(2\)](#). The solicitation must provide notification of intent to apply a price preference for recycled materials and the evaluation method that will be used in applying the price preference.

Responses with products containing the certified recycled materials must be given a price preference by deducting 10% of the amount of the response pricing. The price preference will only be used for evaluation purposes and not for establishing contract pricing.

In evaluating recycled content, products shall otherwise be at least functionally equal to all other specifications and use requirements as identified in the solicitation to qualify for the price preference.

The price preference for recycled materials should be separate from and applied after any other preferences allowed by statute.

The Purchasing Activity may solicit and award responses without using a recycled price preference, if the Purchasing Activity determines that the use of a recycled material evaluation weighting factor does not encourage the use of more recycled material. The Purchasing Activity must justify the reason in the procurement file.

In the event of a tie for lowest priced response between products otherwise meeting all solicitation specifications, the purchasing activity shall favor the larger post consumer material content as a factor in determining the award.

Please see the OSP solicitation [template](#) for sample language regarding recycled material content and preference.

Reciprocity

Pursuant to RCW [43.19.704](#), OSP has established a schedule of price adjustment applicable against any firm submitting a response from a state which grants a preference to its own in-state businesses as identified in the [Preference Table](#). The reciprocity adjustment is applied as follows.

- The business address from which the response was submitted will determine if an adjustment is to be applied.
- This action will be used only for evaluation. In no instance shall the increase be paid to a supplier whose response is accepted.
- These adjustments will be applied in Formal Sealed Bid solicitations only.

See WAC [236-48-085](#).

4.7.k. OTHER EVALUATION PHASE CONSIDERATIONS PRIOR TO AWARD

4.7.k.1. Decision to Re-bid or Cancel

In accordance with RCW [43.19.1911](#)(4), a solicitation may be canceled and all bids rejected before award but after bid opening only when, the purchasing agency, division, or department head determines in writing that:

- Unavailable, inadequate, ambiguous specifications, terms, conditions, or requirements were cited in the solicitation.
- Specifications, terms, conditions, or requirements have been revised.
- The supplies or services being contracted for are no longer required.
- The solicitation did not provide for consideration of all factors of cost to the Purchasing Activity.
- Bids received indicate that the needs of the Purchasing Activity can be satisfied by a less expensive article differing from that for which the bids were invited.
- All otherwise acceptable bids received are at unreasonable prices or only one bid is received and the Purchasing Activity cannot determine the reasonableness of the bid price.
- No responsive bid has been received from a responsible bidder; or the bid process was not fair or equitable.
- If any of the above criteria apply to the solicitation and an award is not consistent with the state's best interests then cancel the bid and:
 - Notify Bidders of the cancelation.
 - Document the Purchase File and explain how the decision making process that leads to the decision conforms to RCW [43.19.1911](#)(4).

4.7.k.2. Negotiation

Consistent with RCW [43.19.1911](#)(6), after the opening of bids, a Purchasing Activity may not reject all bids and enter into direct negotiations to complete the planned acquisition. However, the Purchasing Activity can enter into negotiations exclusively with the lowest responsible Bidder in order to determine if the lowest responsible bid may be improved. Improvement may include but is not limited to:

- Pricing.
- Delivery or scheduling.
- Payment Terms.
- MWBE Participation.
- Other provisions.

Negotiation of the following is not allowed:

- Scope of work.
- Bid specifications.
- Terms and Conditions.
- Other bid requirements.

4.8. **Contract Award**

Upon award, all Bidders that responded to the solicitation will be notified of results. Notification to Bidders may be by WEBS, facsimile, e-mail or U.S. Postal Service. Regardless of notification method used, timely (same day) action should be taken to notify all Bidders of the award decision. Evidence of notification of all Bidders must be maintained in the Purchase File.

Note: Consistent with RCW [43.19.1911](#)(8) and WAC [236-48-123](#), after bids, quotes or proposals have been received, all such information becomes the property of the purchasing activity and shall not be released or otherwise distributed until after the evaluation has been completed and final award(s) announced.

4.9. **Protests**

Each Purchasing Activity must handle protests in accordance with WAC [236-48-141](#) and their own internal protest policies. If the OSP is the Purchasing Activity then protests must also be in accordance with WAC [236-48-142](#), WAC [236-48-143](#) and OSP [Protest Policy](#).

Each [Purchasing Activity](#) is responsible for responding to protests related to any procurement they conduct and any associated legal costs incurred. The OSP is available for guidance. If the OSP conducts the procurement for the Purchasing Activity, the OSP will manage the protest response as this activity is included in the service fee.

4.10. **Prevailing Wages**

Purchases for services made under delegated purchase authorities may be subject to the [Department of Labor and Industries \(L&I\) prevailing wage](#) requirements in RCW [49.28](#). Where applicable, solicitation and contract documents must contain prevailing wage requirements.

Contact L&I at (360) 902-5335 for the applicability of prevailing wage requirements to specific acquisitions of goods and purchased services and for specific current prevailing wage rates for applicable job classifications/locations.

Typical purchases made under RCW [43.19](#) which may be subject to prevailing wage requirements are:

- Janitorial services such as floor waxing, carpet and upholstery shampooing and window cleaning.
 - Per WAC [296-127-023](#), the minimum prevailing wage rate(s) for the first year of the contract must be stipulated in the bid document.
 - Any such contracts of more than one-year duration must include wage increase provisions specifying that the wages which contractors must pay its employees

shall be altered annually to recognize prevailing wage rate increases in subsequent years.

- Installation when goods are being permanently installed as part of the construction, alteration, enlargement, improvement or repair of -owned, -rented or -leased facilities.
- Maintenance (except ordinary maintenance) when performed by contract, is defined as keeping existing facilities in good operational condition. Ordinary maintenance is work that is:
 - Performed on a regularly scheduled basis (e.g., daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year) to service, check, or replace items that are not broken; or
 - Regularly scheduled but is required to maintain the asset so that repair does not become necessary.
- Packaging, removal and/or disposal of hazardous waste on or from state property.

5. Additional Procurement Requirements

5.1. Performance Based Contracting

In accordance with Executive Order [10-07](#), all cabinet agency purchased services contracts under RCW [43.19](#) and which fall within the formal sealed bid threshold shall be performance-based. Non-cabinet agencies are encouraged to use performance-based contracting.

Requirements for purchased services contracts shall be consistent with the requirements outlined in SAAM sections:

- [15.40.20](#) Performance Based Contracts.
- [15.40.25](#) Performance Measures and Outcomes.
- [15.40.30c](#) Fiscal considerations and payment methods (See also [45.20.35](#), [85.32.20](#), and [85.32.50](#)).

In addition to the requirements above and to the extent practical, contracts which are for the purchase of goods under RCW [43.19](#) and which fall within the formal sealed bid threshold are to include:

- Performance based product specifications.
- Performance requirements.
- Performance based delivery terms.
- Performance based verification of receipt of goods.
- Any other applicable performance based requirement or term.

5.2. Socioeconomic Goals

5.2.a. MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE PARTICIPATION

RCW [39.19](#) encourages participation in state acquisitions by MWBE firms certified by the [Office of Minority and Women's Business Enterprises \(OMWBE\)](#). In encouraging MWBE participation:

- At least one minority and one woman owned business must be provided the opportunity to bid or quote as required by RCW [43.19.1906](#). If not, the reasons are to be explained in writing and included in the Purchase File.
- No preference will be included in the evaluation of bids/proposals unless required by federal statutes, regulations, grants, or contract terms referenced in the contract documents.
- Participation may be either on a direct basis in response to the solicitation or as a subcontractor to a Bidder/Proposer.
- No minimum level of MWBE participation shall be required as a condition for receiving an award and bids/proposals will not be rejected or considered non-responsive on that basis.
- Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.
- If a federal statute, regulation, grant or contract term imposed federal requirements, the Purchasing Activity is to consult with OSP to determine the appropriate language.

5.2.b. VETERAN OWNED BUSINESS PURCHASING

RCW [43.06A.200](#) encourages State agencies to award three percent of all procurement contracts to certified Veteran Owned Business for procurements that are exempt from competitive bidding requirements (See [Direct Buy](#)). Additionally, state agencies shall perform outreach to veteran-owned businesses to increase opportunities for veteran-owned businesses to sell goods and services to the state. Please visit the Department of [Veteran Affairs](#) or [WEBS](#) to see a list of Certified Veteran Owned Businesses.

5.2.c. THINK WASHINGTON FIRST

Pursuant to RCW [43.19.1905](#) (1(v)) and (2), state agencies are encouraged to award non-competitive contracts to Washington small businesses whenever possible. Non-competitive contracts are defined as those contracts under the dollar value at which competition is required:

- Personal service contracts, under \$5,000.
- Goods and purchased services, under \$5,000.
- IT goods and services, under \$10,000.

The [WEBS](#) system is available as a tool for state agencies to identify Washington small businesses prior to awarding non-competitive contracts. State agencies may also identify small businesses in other ways.

To the maximum extent practicable under current procurement rules, state agencies are expected to balance awarding low-dollar, low-risk contracts to small businesses against the efficiency of making direct purchases with known providers when competition is not required.

This is intended to raise awareness and begin the process of considering the award of contracts to Washington small businesses, defined under RCW [39.29.006](#)(11). (See also [Food Grown in Washington](#)).

5.2.d. WTO PROCUREMENT REQUIREMENTS

The state of Washington participates in the [World Trade Organization](#) (WTO) [Government Procurement Agreement](#) (GPA). Executive Branch state agencies acquiring goods and services over predefined dollar thresholds identified in the GPA are required to adhere to the WTO GPA requirements as outlined in SAAM section [15.20.35](#). However, OSP procurements listed on the [Notice of Planned Procurement](#) webpage comply with the advertising requirements in WTO Implementation Guidelines and therefore do not need to be published in a newspaper. Challenges from WTO [Member Nations](#) are to be handled in accordance with [Article XX](#) of the GPA.

5.2.e. EXPANDING OPPORTUNITIES FOR PEOPLE WITH DISABILITIES

RCW [43.19.520](#) encourages state agencies to purchase products and/or services manufactured or provided by [Community Rehabilitation Programs](#) (CRP). Such purchases shall be at the fair market price of such products and services as determined by OSP. To determine the fair market price, OSP shall use the last comparable bid on the products and/or services or in the alternative the last price paid for the products and/or services. The increased cost of labor, materials, and other documented costs since the last comparable bid or the last price paid are additional cost factors which shall be considered in determining fair market price. Upon the establishment of the fair market price, the purchasing activity may negotiate directly for the purchase of products or services with a CRP (see RCW [43.19.530](#)). The decision to do so does not require justification documentation.

5.2.f. NON-PROFIT AGENCIES FOR THE BLIND

Pursuant to RCW [19.06](#), all state agencies, school districts, and political subdivisions, must purchase materials, supplies, goods, wares, merchandise or produce, or services, for the use of any department or institution within the state, whenever available, from any nonprofit agency for the blind located within Washington State which manufactures or distributes blind made products. The goods and services made by or offered by such agencies shall be equal in quality and price to those available from other sources.

At the time of this release of the WPM, the only qualifying vendor under this statute is the [Seattle Lighthouse for the Blind](#). Accordingly, in fulfillment of this purchasing requirement, purchasing personnel are to at a minimum, visit the Seattle Lighthouse for the Blind [online store](#) and purchase those goods and services offered that satisfies the Purchasing Activity needs as well as conform to availability, quality and price criteria set forth in RCW [19.06.020](#). In accordance with the penalties set forth in RCW [19.06.040](#), any violation of this chapter shall be a misdemeanor.

5.2.g. EFFICIENCY PURCHASING STANDARDS

RCW [19.260.040](#) establishes minimum efficiency standards for certain product categories where there are no federal efficiency standards. These standards apply to products sold, offered for sale, or installed in the state. The standards do not apply to:

- Products installed in mobile manufactured homes at the time of construction.
- Products designed expressly for installation and use in recreation vehicles.

The eight product categories are:

- **Automatic commercial ice cube machines**, such as those found in motels and restaurants.
- **Commercial clothes washers**, such as those found in apartments and coin laundries.
- **Commercial pre-rinse spray valves**, such as those used in restaurants to remove food residue from plates prior to their cleaning.
- **Commercial refrigerators and freezers**, such as those used in large institutional kitchens.
- **Metal halide lamp fixtures**, such as those found on the high ceilings of industrial buildings and gymnasiums.
- **Single-voltage external AC to DC power supplies**, such as the small boxes attached to power cords that allow battery-operated appliances to use power from electrical outlets.
- **Incandescent reflector lamps**, such as the light bulbs that are typically used in "recessed can" lights.
- **Commercial space heaters** that use natural gas or propane.

5.2.g.1. Purchasing Requirements

Pursuant to RCW [19.260](#) agencies shall purchase only those products that meet or exceed the efficiency standards identified.

When preparing solicitations for the purchase of products identified in RCW [19.260](#), agencies shall include the requirement that the products purchased shall comply with the efficiency standards as part of the solicitation's technical requirements.

5.2.h. ELECTRONIC PRODUCT PURCHASING REQUIREMENTS

As required by state law under RCW [43.19.539](#), the OSP has established the following purchasing preferences for electronic products:

- Purchasing activities will purchase gold rated [EPEAT](#) registered electronic products. When gold rated products are not available, are not life cycle cost efficient, and do not meet reasonable performance standards; the purchasing activity may acquire silver rated electronic products. Information including a searchable product registry on EPEAT-registered computer products is available at www.epeat.net.
- Purchasing activities will acquire [RoHS](#) compliant electronic products; provided such products are available, are life cycle cost efficient, and meet reasonable performance requirements. RoHS compliant electronic products must carry the RoHS label or indicate in its product literature that RoHS requirements have been met.
- Information about RoHS requirements can be found at www.rohs.gov.uk.
- When acquiring electronic products that do not have an EPEAT ranking or a RoHS certification, the purchasing activity are to grant a preference to those products with the least hazardous materials. The purchasing activity may consider other product environmental certifications in their award criteria if the result would reduce or eliminate hazardous materials.
- Agencies are encouraged to consult with their representative from DIS to identify the most current best practices used to extend the life of electronic equipment. This will minimize the environmental impact of hazardous materials in electronic products.

- For more information please contact DES Technology Acquisition Services (TAS) at 360- 407-8711 or email ServiceDesk@des.wa.gov.

5.2.i. RECYCLED MATERIAL

The Purchasing Activity is to incorporate recycled content product requirements in their solicitations when applicable.

Solicitations must use the United States Environmental Protection Agency (USEPA) recycled content standards listed in the [Comprehensive Procurement Guideline](#) (CPG) for all products as identified by RCW [43.19A.020](#). Purchasing Activities may adopt USEPA recycled standards for other products not called out in RCW [43.19A.020](#), if it would significantly increase recycled product availability or competition.

For formal sealed bids subject to recycled material content requirements, the Purchasing Activity is to conform to the following:

- Solicitation specifications must identify the minimum percent content of recycled materials in accordance to the current adopted USEPA standards. USEPA product standards shall be used for the products identified in RCW [43.19.538](#).
- For state purchases, the minimum content of recovered material must be not less than 15% provided that USEPA has adopted recycled purchase guidelines for the goods. If current USEPA procurement guidelines for a product are below 15%, then the Purchasing Activity may elect to not require recycled goods in the solicitation.
- Some purchases may be exempt from the above mentioned recycled material requirements. In determining an exemption, the Purchasing Activity must consider but not be limited to such factors as adequate competition, economic or environmental constraints, quality, and availability. If it is determined that the procurement is exempted, then the purchasing activity shall document the justification in the purchasing file.
- The solicitation shall notify Bidders that they are to provide with their response a Certification of Recovered Materials form prepared by the Producer/Manufacturer identifying the post consumer, recycled and recovered or waste material content of the goods bid.

5.2.j. MERCURY REDUCTION

Pursuant to RCW [70.95M.060](#), agencies are to give priority and preference to the purchase of products that contain no mercury-added compounds or components.

There are certain markets in which various products need mercury to most cost effectively perform, (e.g. compact florescent versus incandescent light bulbs). RCW [70.95M.060](#) provides criteria in which products containing mercury may be purchased if justified with supporting documentation. To do this, agencies are to use the method described below as [Purchasing Mercury Added Products by Exemption](#).

There are other markets where all the products contain mercury. When purchasing products in these circumstances, the Purchasing Activity must follow the method described below as [Purchasing Mercury Added Products by Preference Requirements](#).

5.2.j.1. Purchasing Mercury Added Products by Exemption:

An exemption can be granted when one of the following criteria is met:

1. There is no economically feasible non-mercury added alternative that performs a similar function; or
2. The product containing mercury is designed to reduce electricity consumption by at least 40% and there is no non-mercury or lower mercury alternative available that saves the same or a greater amount of electricity as the exempted product. In circumstances where a non-mercury added product is not available, preference must be given to the purchase of products that contain the least amount of mercury added to the product necessary for the required performance.

5.2.j.2. Exemption Justification Requirements

The exemption to the purchase of products that contain no added mercury must be fully justified and documented to include:

- The performance or functional specifications of the required equipment, supplies, and other products. (See [Performance Specifications](#)).
- A cost analysis incorporating total cost of ownership considerations (See RCW [43.19.1911](#)(9(f))) validating exemption criteria 1) above, or
- An energy usage analysis validating exemption criteria 2) above
- A statement by the purchaser that the exemption justification is accurate and complete to the best of the purchaser’s knowledge and belief.

5.2.j.3. Sample Performance Justification

| Incandescent –vs.- Compact Florescent | | | |
|---|--------|------------|-------|
| Products | Lumens | Mercury mg | Watts |
| Incandescent (twist bulb) | Same | 0 | 60 |
| Compact Fluorescent (twist bulb) | Same | 5 mg | 15 |
| Justification: Although the Incandescent bulb contains no mercury, the Compact Fluorescent bulb was selected as the energy savings of 75% exceeds the 40% minimum energy consumption savings requirement. | | | |

5.2.j.4. Purchasing Mercury Added Products by Preference Requirements:

Purchase preference granted must be fully justified and documented to include at a minimum:

- The performance or functional specifications of the required equipment, supplies, and other products. The description must incorporate total cost of ownership considerations (See RCW [43.19.1911](#) (9(f)) and/or [Performance Specifications](#)).
- Manufacturer Warranty of the added-mercury content of each product bid or quoted.
- A ranking of each product bid or quoted by added-mercury content.
- A statement by the purchaser that no products exist which do not contain added mercury and the purchase preference is accurate and complete to the best of the purchaser’s knowledge and belief.

5.2.j.5. Sample Performance Justification

| Fluorescent Lamp Category | | | |
|--|---------------------|---|---------------------|
| Fluorescent Lamps | | | |
| Minimum Lumen Requirements = 2,725 | | Total Lamp hours needed = 6,756,000,000 | |
| Product Specifications | Brand-X | Brand-Y | Brand-Z |
| Lumens | 2,725 | 2,900 | 2,750 |
| Rated Lamp Life (in hours) | 24,000 | 20,000 | 18,000 |
| Reported mercury content (not more than x mg) | 6.0 | 3.5 | 10.0 |
| Rated Watts | 28 | 30 | 28 |
| Lamp Length (in feet) | 4 | 4 | 4 |
| Sell Price | \$2.20 | \$2.20 | \$2.20 |
| Number of Lamps needed to = 6,756,000,000 hours | 281,500 | 337,800 | 375,333 |
| Total Mercury Content (# lamps x mg per lamp) | 1,689,000 | 1,182,300 | 3,753,333 |
| 100% Recycle Cost (# lamps x feet x 6.5¢ per foot) | \$73,190 | \$87,828 | \$97,587 |
| Installation cost (# lamps x \$2.31 per lamp) | \$650,265 | \$780,318 | \$867,020 |
| Energy cost (@ 6¢ per Kilowatt Hour) | \$11,350,080 | \$12,160,800 | \$11,350,080 |
| Total Product Cost (# lamps x sell price) | \$619,300 | \$743,160 | \$825,733 |
| Total Cost of Ownership (TCO) | \$12,692,835 | \$13,772,106 | \$13,140,420 |
| TCO difference from lowest (Brand X) | | +\$1,079,271 | +\$447,585 |
| TCO % Price variation from lowest (Brand X) | | +7.8% | +3.4% |
| Mercury content difference from lowest (Brand Y) | +506,700 | | +2,571,033 |
| Justification: Brand-X was selected because although the mercury content is fractionally higher, the TCO savings are significant. Largely because fewer lamps are required and the energy requirements are lower for Brand-X, while still substantially reducing mercury levels from the Brand-Z option. | | | |

5.2.j.6. Violation

Pursuant to RCW [70.95M.080](#), a violation is punishable by a civil penalty with the exception of [state contracts](#) entered into before January 1, 2005.

This section will apply to the purchase of products that are similar in function or performance that are available on existing state contracts upon the expiration of those contracts.

Emerging technology will continue to reduce or eliminate the addition of mercury to products while maintaining or increasing performance. When new products that are similar in function or performance to products already available on state contracts, state agencies will give preference and priority to the purchase of products available on existing state contracts.

5.3. **Public Disclosure of Purchasing Information**

Purchasing records, documents, and notes are generally considered public records. (See RCW [42.56](#), and WAC [236-48-123](#)). However, pursuant to RCW [43.19.1911](#)(8), information contained in bid documents is not public until after the contract has been awarded. If in doubt, consult your Public Records Officer or Assistant Attorney General. Be aware of the statutory requirements for prompt response to public record requests and potential damages to your agency for withholding information.

Proprietary Information

Pursuant to WAC [236-48-123](#), any document(s) or information which the Bidder believes is exempt from public disclosure per RCW [42.56](#) as proprietary information must be clearly identified by Bidder and placed in a separate envelope marked with bid number, bidder's name, and the words "proprietary data" along with a statement of the basis for such claim of exemption. The state's sole responsibility shall be limited to maintaining the above data in a secure area and to notify Bidder of any request(s) for disclosure within a period of five years from date of award. Failure to so label such materials or failure to provide a timely response after notice of request for public disclosure has been given shall be deemed a waiver by the Bidder of any claim that such materials are, in fact, so exempt. (See also RCW [42.56.060](#), RCW [43.19.1911](#), WAC [236-48-003](#), and WAC [236-48-123](#)).

5.4. **Ethical Behavior and Conduct**

The ethics law is designed to ensure state employees avoid conflicts of interest in their work. State employees involved in purchasing and contracting are held to higher standards than other state employees in some instances. Employees should familiarize themselves with the applicable statutes and their agency's policies whenever they are involved in any purchases or contracting on behalf of the state. The Executive Ethics Board is responsible for interpretation and enforcement of the Ethics in Public Service Act (RCW [42.52](#)) and provides education and training. Please visit the [Executive Ethics Board](#) website for additional information or assistance.

Specific ethics prohibitions that can affect employees when purchasing are:

- Having a personal or financial interest that is in conflict with the proper discharge of state duties, including the transaction of state business with an entity in which a state employee has an interest.
- Assisting other persons in transactions with the state when a matter has been within his/her official responsibility within the preceding two years.
- Disclosing confidential information, for personal benefit or gain, or for the benefit or gain of others.
- Accepting employment which might reasonably require the disclosure of confidential information obtained through state employment.
- Using one's official state position to obtain special privileges or exemptions or to grant special privileges to others.

- Accepting outside employment or compensation if circumstances would lead a reasonable person to believe it is a reward for performance or non-performance of state duties.
- Accepting any gift, if circumstances create the impression that one's vote, judgment or action could be affected, or that staff are being rewarded for the performance or nonperformance of an official duty or if the item is of a value that exceeds statutory limits.

Agencies should contact their Assistant Attorney General or the ethics board for further information on the ethics law.

5.4.a. ACCEPTING GIFTS OR BENEFITS FROM SUPPLIERS

Pursuant to RCW [43.19.1937](#), any state employee involved in the procurement process must not accept or receive, directly or indirectly, a personal financial benefit, or accept any gift, token, membership, or service, as a result of a purchase entered into by the state from a Vendor, Supplier, or Contractor. There are no exceptions or minimum thresholds for these prohibitions. A violation may result in loss of position and being barred from future state employment.

5.4.b. PROHIBITED PURCHASES FROM STATE CONTRACTS

State contracts may only be used by state agencies, institutions and authorized purchasing cooperative members (RCW [43.19.190](#)). Private persons or entities may not make purchases from state contracts. Also, state employees may not make purchases for personal use from state contracts.

Therefore and in accordance with RCW [42.52](#), use of a state contract for personal gain is strictly prohibited.

Penalties applied under RCW [43.19](#) do not prevent additional penalties from being applied under RCW [42.52](#).

5.4.c. INDUCEMENTS TO VENDORS

Inducing someone to refrain from bidding or inducing someone to submit a bid so as to restrict competition by giving them something of value is illegal. There are no exceptions or value limitations for suppressing competition. (See RCW [43.19.1939](#)).

5.4.d. CONTRACTING WITH CURRENT OR FORMER STATE EMPLOYEES

Specific restrictions apply to contracting with current or former state employees. Agencies should familiarize themselves with the requirements of RCW [42.52](#) prior to entering into any type of contracts. A brief summary of the restrictions follows and should be used as a guide.

5.4.e. CURRENT STATE EMPLOYEES—OUTSIDE EMPLOYMENT

Pursuant to RCW [42.52.120](#) (1), current state employees may not receive compensation for work outside of official duties under a contract or grant with outside entities except when all of the following conditions apply:

- The contract is bona fide and actually performed.
- The performance or administration of a contract or grant is not within the course of the officers' or employees' official duties, or under his/her official supervision.

- The performance of the contract or grant is not prohibited by applicable laws or rules governing outside employment for the officer or employee.
- The contract or grant is not performed for or compensated by any person from whom the officer or employee is prohibited from accepting a gift.
- The contract or grant is not expressly created or authorized by the officer or employee in his/her official capacity.
- The contract or grant would not require unauthorized disclosure of confidential information.

5.4.f. CURRENT STATE EMPLOYEES—BENEFICIAL INTEREST IN CONTRACT

Additionally, pursuant to RCW [42.52.120](#) (2), current state employees may not have a beneficial interest in a contract or grant with a state agency except when anyone of the following conditions apply:

- The contract or grant is awarded as a result of competitive bidding in which more than one bid or grant application was received.
- The contract or grant is awarded as a result of competitive bidding in which the employee's bid or proposal was the only one received and the employee was advised by the ethics board, before execution of the contract or grant, that the contract or grant would not conflict with the employee's official duties.
- The process for awarding the contract or issuing the grant is not open and competitive, but the employee has been advised by the ethics board that the contract or grant would not conflict with the employee's official duties.

5.4.g. FORMER STATE EMPLOYEES

5.4.g.1. One-Year Restriction—RCW [42.52.080](#) (1):

A former state employee may not accept employment or compensation from a private employer within one year of leaving state employment if during the two years prior to leaving, the employee negotiated or administered one or more State Contracts with that employer; the value of the contract or contracts was more than \$10,000; and the duties for the new employer include actions or supervision of actions implementing or fulfilling contracts negotiated or administered during state employment.

5.4.g.2. Two-Year Restriction—RCW [42.52.080](#) (2):

A former state employee, within two years of leaving state service, may not have a direct or indirect beneficial interest in a contract or grant that was expressly authorized or funded by legislative or executive action in which the employee participated during state employment.

5.4.g.3. Continuing Restriction—RCW [42.52.080](#) (3 and 4):

A former state employee may not accept an offer of employment or receive compensation from an employer if the employee knows, has reason to believe, or circumstances would lead a reasonable person to believe the offer has been made or compensation given, for the purpose of influencing the performance or nonperformance of the employee's duties during state employment.

5.4.g.4. Continuing Restriction—RCW [42.52.080](#) (5):

A former state employee has a continuing post-employment restriction from assisting others in any transaction with the state if the employee participated in the transaction during state employment.

NOTE: This summary is not a comprehensive explanation of all the requirements of the ethics law. These prohibitions apply to any type of service contracting with the state, not just purchases for goods or services.

5.5. No Splitting or Segmenting

[Splitting](#) or [segmenting](#) orders for the purposes of avoiding competitive requirements is strictly prohibited. Agencies should carefully review repetitive low dollar purchases for the same or similar commodities or services. Sometimes the annual dollar spend on such purchases is substantial and could be perceived as order splitting or segmenting. Agencies are encouraged to notify the OSP of high dollar repetitive purchases for consideration of the development of a statewide contract.

6. Limited and Specific Purchase Authority

The OSP has the authority to delegate purchasing authority to state agencies to purchase goods and services for an agency's exclusive use (See RCW [43.19.190](#) (3)). The delegated purchases in section 7 and non-delegated purchases in section 8 generally apply to all agencies. When circumstances warrant, a Purchasing Activity may request a [Limited Purchase Authority](#) or a [Specific Purchase Authority](#).

Factors considered by OSP in delegating a limited or specific purchase authority include:

- Requesting agency's history of compliance with purchasing policies.
- Complexity and cost of the acquisition.
- Existing state contracts potential for OSP to create a new state contract.
- OSP's workload capacity.
- Skill and capability of requesting agency's purchasing personnel.
- Requesting agency's level of product and market knowledge.
- Additional requirements for certain acquisition methods such as [Used Equipment](#) or [Sole Source](#).

6.1. Limited Purchase Authority

The characteristics of a Limited Purchase Authority include:

- Must be issued prior to seeking of quotes or bids by the Purchasing Activity.
- Approval must be in writing before delegation takes effect.
- Delegated to a specific person therefore the person conducting or leading the acquisition is to make the request for the authority.
- May not be further delegated by the receiver of the authority.

- Issued by an authorized OSP purchasing staff with proper signature authority.
- Limited to a single specified purchase.
- Approval does not waive any of the purchasing requirements of the *WPM*.

To request a Limited Purchase Authority, submit the request as an attachment to a completed Requisition Form. The request should address at a minimum the following:

- Justification for the acquisition being conducted at agency level including specific agency business requirements and the requestor's working knowledge of the products being bought, the industries being dealt with, and the regulations within which they apply.
- Detailed specifications that support full and open competition.
- Proposed acquisition method, evaluation, and award criteria.

6.2. **Specific Purchase Authority**

The characteristics of a Specific Purchase Authority include:

- Requested by the Purchasing Activity's Purchasing Representative.
- Issued by the State Purchasing and Material Control Director or designee.
- Approval must be in writing before delegation takes effect.
- Approval does not waive any of the purchasing requirements of the *WPM*.
- Issued for a specific term, range of commodities, or a dollar limitation.
- Delegated to an agency.
- Agency internal delegation is allowed.
- Multiple purchases allowed.
- Automatically expires at the end of the fiscal biennium unless the OSP decides otherwise.
- May be subject to reporting requirements.

The Purchasing Activity must utilize WEBS when competition is required. To request a Specific Purchase Authority, submit written requests for Specific Purchase Authorities or amendments to Specific Purchase Authorities to:

OSP Customer Service
Office of State Procurement
PO Box 41017
Olympia WA 98501-1017

Or e-mail to: csmail@des.wa.gov

Agency requests should include:

- Commodity.
- Requested term.

- Estimated spend for term of authority.
- Justification for the acquisition being conducted at agency level including specific agency business requirements that will be met with granting of authority.
- Discussion of the Purchasing Activity's purchasing capability, skill, and knowledge of the commodity and market that is relevant to the requested specific purchase authority.
- List of program(s) which will utilize the delegation.
- Job titles of purchasing personnel who will be conducting the procurement(s).
- Proposed acquisition method, evaluation, and award criteria.
- Agency's ability to meet monitoring and reporting requirements.

7. Delegated Purchases

Agencies are required to use state contracts if available (See [State Contracts](#)). OSP has delegated the authority to state agencies to purchase goods and services listed below.

7.1. Purchases Subject to Competition under RCW 43.19

Agencies delegated purchasing authority must still conform to the competitive procurement requirements of RCW [43.19](#) and state purchasing policy. (See, RCW [43.19.190](#) (3)). Use of the delegated purchasing authority to develop a master contract which would be available for other agencies use must be preapproved by the OSP.

7.1.a. UP TO \$10,000

A Purchasing Activity may acquire goods and services with a value of \$10,000 or less. The \$10,000 limit is calculated per acquisition. The limit reflects the cost of the acquisition to the Purchasing Activity before any trade-in, sales tax, freight charges and other government fees and taxes. Purchases may not be [Split](#) or [Segmented](#) to avoid the \$10,000 limit.

7.1.b. OVER \$10,000

A Purchasing Activity is authorized to conduct an acquisition in excess of \$10,000 for the goods and services listed below. (Note: For goods and services not listed below, agencies must forward a completed A15 Purchase Requisition Form to the OSP for processing or request a Limited Purchase Authority.)

7.1.b.1. State Contracts

Agencies are delegated unlimited purchase authority to purchase from a [State Contract](#).

7.1.b.2. Fuel

Agencies are delegated unlimited purchase authority for fuel for areas where a state contract supplier does not deliver.

7.1.b.3. Alarm Systems

Agencies are delegated unlimited purchase authority for alarm and signal systems.

7.1.b.4. Bulk Sand, gravel and concrete ready mix

Agencies are delegated unlimited purchase authority for bulk sand, gravel, and concrete ready mix.

7.1.b.5. Groceries

Agencies are delegated unlimited purchase authority for groceries for temporary camps, training schools and field offices established for a period of less than 180 days duration. Included are fresh foods, prepared meals, ice and kitchen supplies.

7.1.b.6. Plants

Agencies delegated unlimited purchase authority for plants, seeds, flowers, shrubs and tree seedlings.

7.1.b.7. Purchased Service Activities

Agencies are delegated unlimited purchase authority for purchased services. Purchased services that are subject to [WTO](#) requirements must be coordinated with the OSP.

7.1.b.8. Rental of equipment or materials

Agencies are delegated unlimited purchase authority for the rental of equipment or materials if the following conditions are met:

- No purchase for ownership is involved (unlimited period).
- Justification of rental versus purchase benefit is documented.
- The short-term rental or lease (term must not exceed 90 days) for:
 - Trailers, Campers, and Mobile Homes.
 - Offices and Laboratories.
 - Prefabricated Building Structures.

7.1.b.9. Used Equipment/Materials

A Purchasing Activity may purchase:

- [Used Equipment](#), furniture, or materials of less than \$50,000.
- Used vehicles of less than \$11,500.

7.2. Delegated Purchases Exempt from Competition

The goods and services listed in this section lack access to sufficient competition or involve special facilities, services, or market conditions and are designated as exempt from competitive bid requirements. Agencies are delegated unlimited purchase authority for the following:

7.2.a. UTILITIES

Fees, charges, and assessments for public utilities such as garbage, heat, sewer, cable TV, power, water, lights, fire protection, and recycle services.

7.2.b. POSTAGE AND POSTAL SERVICE

When not already provided by DES, [Consolidated Mail Services](#).

7.2.c. PROFESSIONAL LICENSES AND MEMBERSHIPS

Professional association membership dues (e.g. chamber of commerce, etc.) or professional licenses required by employer or state law where such transactions are valid reimbursable expenses. (See OFM [Guidelines on Paying for Professional Employee Certifications, Memberships, or Training](#)).

7.2.d. PUBLICATIONS, SUBSCRIPTIONS AND INFORMATION SERVICE DIRECTORIES

Publications, subscriptions, and information service directories in print, electronic, or online format (e.g. Thomas Register, Kelly Blue Book, etc.).

7.2.e. CONFERENCES AND SEMINARS

- Registration/tuition for conferences and seminars.
- Facility, room, or booth rentals, including furnishings and directly related services and materials necessary to conduct agency business, including for public hearings. (See RCW [43.19.1906\(3\)](#) and section [10.10.55](#) of SAAM)
- Entrance fees to professional management award programs (e.g. Malcolm Baldrige Awards, etc.) which are determined to be in pursuit of agency mission are also included in this delegation.

7.2.f. MISCELLANEOUS FEES

- Fees for obtaining records.
- Costs associated with review boards.
- Court or litigation related fees and costs including court ordered fees or costs, costs for expert witness or juries, and any other directly related court or litigation materials and services.
- Out of court settlement costs.
- Title insurance.
- Registration/cancellation fees.
- Transfer fees or other transaction fees.
- Customs and brokerage fees and duties associated with procurement of goods from foreign countries where such costs are not paid by shipper.
- Permits or licenses issued by governmental agencies. Document as an interagency expenditure/purchased service per RCW [39.34.080](#).

7.2.g. LEGAL/PROMOTIONAL ADVERTISEMENTS AND AWARDS

- Legal or promotional advertisements cost via public media to include but not limited to newspapers, video, radio, billboards or journals.
- Prizes or award materials which are related to the agency mission.

7.2.h. COSTS FOR USE OF PATENTED GRAPHIC DESIGN

Costs for use of patented graphic designer artwork and reproduction rights associated with that patent.

7.2.i. ORIGINAL EQUIPMENT MANUFACTURER (OEM) REPAIR SERVICES

OEM repair services and component parts, and technical and maintenance services (including start-ups, training and testing), and chemical supplies, which can only be obtained from the original equipment manufacturer or regionally authorized single distributor.

7.2.j. TECHNICAL INSPECTION

Survey or certification services, and related expenses required for vessels, boilers, vehicles, and related equipment.

7.2.k. EXPENSES INCURRED IN MANAGING ASSETS

Expenses incurred by a Purchasing Activity in obtaining, managing or otherwise disposing of assets (e.g., equipment, supplies or general commodities) seized pursuant to that Purchasing Activity's statutory authority.

7.2.l. TRAINING SERVICES

- Recurring training for all or most employees.
- Materials (including training aids and devices) used in presentation of the training.
- Routine and ongoing training required for vendors/contractors/consultants to enable them to comply with contractual requirements.
- Training provided incidental (10% or less of equipment cost) to the purchase of equipment, but not included in equipment purchase price.

7.2.m. BASIC HEALTH SCREENING/DIAGNOSTIC COSTS

7.2.n. REPAIR OR REPLACEMENT OF RENTAL EQUIPMENT

Costs incurred to repair or replace rental equipment which was lost, damaged, or stolen.

7.2.o. MINOR COSTS INCURRED IN DONATING OF USED EQUIPMENT

Minor costs incurred in donating of used equipment (e.g. transportation, filing fees, etc.) where such equipment no longer has a useful value to the Purchasing Activity and DES, [State Surplus](#) approval has been attained by the Purchasing Activity for the donation of the equipment.

7.2.p. THIRD PARTY EXPENSES

Payment of invoices received from third party for facilities maintenance or improvements conducted by the building owner. Purchasing Activity must closely scrutinize their lease agreement to determine the actual party responsible for payment of such costs. For example, installation of metal detectors, security cameras, or security fencing at the specific request of the tenant agency where lease agreement requires building owner to install but tenant agency to pay.

7.2.q. INTERAGENCY CONTRACTING EXPENSES

Expenses incurred via contract with another public agency to ensure continuation of grant funding where such services or materials must be purchased from a specific source or manufacturer. For example, a federal agency requires the purchase and use of a specific brand of equipment for performing specific services under a contract with that state agency and the use of other brands would cause loss of funding and/or termination of the contract by the federal agency.

8. Non-Delegated Purchases

Unless the OSP determines otherwise on a per case basis, the following goods and services are not delegated and must be purchased by the OSP.

8.1.a. NEW VEHICLES

- Motor Vehicles under 14,000 GVW.
- Heavy-duty Trucks, 14,000 GVW and Up.

8.1.b. USED VEHICLES

- Used vehicles from the private sector with an estimated cost of \$11,500 or more.

8.1.c. INDUSTRIAL AND FARM TRACTORS

- Tractors, Wheeled, Industrial.
- Tractors, Wheeled, Farm – Type.

8.1.d. RENTAL OF PASSENGER VEHICLES

- When the estimated rental cost is more than \$10,000 and/or the rental period is 60 days or more.

8.1.e. BOATS, MARINE MOTORS, AND TRAILERS

With estimated cost of \$11,500 or more for the following:

- Fishing Vessels.
- Boats.
- Barges, Cargo.
- Pontoons or Floating Docks.
- Foam Floatation Units w/recycle content.
- Removal of Hydrofoil Stabilizer Assembly.
- Vessels, Miscellaneous.
- Repair Parts, Components, or Accessories for Marine Vessels.
- Lease or Rental of Marine Vessels.
- Maintenance or Repair for Marine Vessels.
- Trailers, Boats.
- Gas Engines, Marine.
- Diesel Engines, Marine.

8.1.f. SMALL ARMS AND WEAPONS

- Small Arms:
 - Revolvers and self-loading pistols
 - Assault rifles, rifles, carbines, and shotguns
 - Sub-machine-guns and light machine-guns
 - Air guns (BB guns)
- Electronic Weapons:

- Portable devices or weapons from which an electric current, impulse, wave, or beam may be directed, which current, impulse, wave or beam is designed to, injure or kill.
- A portable device designed or intended to temporarily immobilize, or incapacitate persons by means of electric pulse or current (e.g. Taser).
- Chemical Weapons and Agents:
 - Chemicals whose intended use is to impede or temporarily incapacitate
 - Munitions and devices, specifically designed to impede or temporarily incapacitate through chemical action.
 - Toxic chemicals whose intended use is to cause death or harm.
 - Munitions and devices, specifically designed to cause death or other harm through the toxic properties of those chemicals.
- Explosive Weapons.

8.1.g. UNIVERSALLY ACCEPTED GASOLINE CHARGE CARD

Obtaining, controlling and issuing of gasoline charge cards to purchase automotive fuel, lubricants, parts and services as necessary at commercial stations.

9. Other Types of Purchases

If the primary purpose or nature of a contract is in one of the categories described below that contract is not under the oversight of the OSP:

| | |
|---|---|
| <u>Personal Services</u> | <u>Client Services</u> |
| <u>IT Services and Equipment</u> | <u>Public Works</u> |
| <u>Highway Design and Construction</u> | <u>Printing Services</u> |
| <u>Insurance and Bonds</u> | <u>Higher Education</u> |
| <u>Purchases for Resale</u> | <u>Space/Buildings</u> |
| <u>Vending Services</u> | <u>Interpreter Services</u> |
| <u>Original Works of Art</u> | <u>Travel</u> |
| <u>Janitorial Services for Capital Campus</u> | <u>Recognition Awards</u> |
| <u>Competitive Contracting</u> | <u>Lease Purchase</u> |
| <u>Interagency Purchasing</u> | |

9.1. Personal Services, RCW [39.29](#)

DES has the responsibility to establish policy and procedures for the competitive solicitation and award of personal service contracts, record keeping requirements, and procedures for the reporting and filing of personal service contracts. Personal services are professional or technical services provided by a consultant to accomplish a specific study, project, task, or other work statement.

9.2. **Client Services, RCW [39.29.006\(2\)](#)**

Client services are defined in RCW [39.29.006\(2\)](#) as services provided directly to agency clients including, but not limited to, medical and dental services, employment and training programs, residential care, and subsidized housing. Client service contracts are entered into for professional or technical services to be provided by an organization or person external to state government which will result in the delivery of direct services to agency clients. Clients are considered to be those individuals for whom a Purchasing Activity has statutory responsibility to serve, protect, or oversee.

9.3. **Information Technology Equipment, Software and Services RCW [43.105](#)**

For information technology related equipment, software and services, please contact DES Technology Acquisition Services (TAS) at 360- 407-8711 or email ServiceDesk@des.wa.gov.

9.4. **Public Works, RCWs [28B.10.350](#), [39.04](#), [39.80](#) and [43.19.450](#)**

The DES, [Division of Engineering and Architectural Services \(E&A\)](#) is responsible for the design and construction, major repairs, and alterations of all state-owned facilities. State facilities include all buildings, related structures, and appurtenances constructed for any elected state officials, institutions, departments, boards, commissions, colleges, and community colleges, except the state universities, The Evergreen State College, and regional universities. "State facilities" does not include facilities owned by or used for operational purposes and constructed for the Department of Transportation, Department of Fish and Wildlife, Department of Natural Resources, or Parks and Recreation Commission.

9.5. **Highway Design and Construction, RCW [39.80](#) and [47.28](#)**

Contracts for highway construction are subject to the statutory requirements of RCW [47.28](#) and for architectural and engineering (A/E) services, RCW [39.80](#). Contracts for architectural and engineering services are processed through the [Consultant Services](#) Office in the [Department of Transportation](#), Environmental and Engineering Division.

9.6. **Printing Services, RCW [43.19.736](#), and [43.19.739](#)**

Agencies shall consult with DES on how to choose more economic and efficient options to reduce costs for every print and binding job, regardless of dollar amount. Agencies, boards, commissions, and institutions of higher education requiring the services of a print shop may use DES without competition. Otherwise, all such services must be competitively solicited to include posting on WEBS. Additionally, DES shall print materials that contain sensitive or personally identifiable information not publicly available unless it can be more economically produced elsewhere and a confidentiality agreement with the vendor is first secured with DES. For consultation or more information, contact DES at (360) 664-4343).

9.7. **Insurance and Bonds, RCW [43.41.300](#)**

Purchase of all insurance, fidelity and surety bonds and notary public commissions for state agencies is the responsibility of the [Office of Financial Management, Risk Management Division](#).

9.8. Higher Education, RCW [28B.10.029](#)

An institution of higher education may exercise independently those powers otherwise granted in RCW[43.19](#) in connection with the purchase and disposition of all material, supplies, services, and equipment needed for the support, maintenance, and use of the respective institution of higher education.

9.9. Space/Buildings, RCW [43.82.010](#)

The purchase, lease or rental of privately owned space and/or buildings on private property and alteration or repair is the responsibility of DES, [Facilities Division](#).

9.10. Purchases for Resale, RCW [43.19.190](#) (2)

Agencies have primary statutory authority for the purchase of materials, supplies and equipment for resale to other than public agencies.

9.11. Interpreter Services, RCW [43.19.190](#) (2)

The [Department of Social and Health Services](#) has the statutory responsibility to contract for interpreter services on behalf of public assistance recipients under RCW [43.19.190](#)(2).

9.12. Vending Services, RCW [74.18](#)

The [Department of Services for the Blind](#) maintains a business enterprises program for blind persons to operate vending facilities in public buildings. Agencies interested in vending machine service should contact Department of Services for the Blind Business Enterprise Program at the [Olympia](#) office.

9.13. Travel on state Business & Credit Card Services RCW [43.03.065](#)

Agencies are to conduct the acquisition of travel and travel-related services (lodging, meals, transportation, etc) in accordance with the SAAM [Chapter 10 Travel](#) and [Chapter 45 Purchase](#) issued by the Office of Financial Management (OFM) and RCW [43.03.065](#).

9.14. Original Works of Art, RCW [43.19.455](#), [43.46](#)

The designation of projects and sites, selection, contracting, purchase, commissioning, reviewing of design, execution and placement, acceptance, maintenance, and sale, exchange, or disposition of works of art shall be the responsibility of the [Washington State Arts Commission](#) in consultation with the Director of DES.

9.15. Recognition Awards, RCW [41.60.150](#)

Other than suggestion awards and incentive pay unit awards, agencies shall have the authority to recognize employees, either individually or as a class, for accomplishments including outstanding achievements, safety performance, longevity, outstanding public service, or service as employee suggestion evaluators and implementers. Recognition awards may not exceed two hundred dollars in value per award.

9.16. **Janitorial Services at state Owned Facilities, RCW [43.19.125](#)**

Janitorial services and carpet cleaning at state owned facilities located on the Capitol Campus are to be purchased from DES, [Facilities Division](#).

9.17. **Competitive Contracting, RCW [41.06.142](#)**

The Civil Service Reform Act of 2002 provides that any department, agency, or institution of higher education may purchase services, including services that have been customarily and historically provided by employees in the classified service under RCW 41.06 by contracting with individuals, nonprofit organizations, businesses, employee business units, or other entities. Agencies are permitted to contract with OSP to conduct their bidding process. (See WAC [236-51](#)).

9.18. **Lease Purchase RCW [39.94.030](#)**

Substantial savings can often be realized by purchasing rather than leasing certain kinds of equipment. In other situations, leasing may be the most economical option. The main requirement is that any decision to lease rather than purchase must be justified. The buyer must be able to show that the long-term lease cost will be more advantageous than the initial cost of purchase, or that the requested item will be of no use to the after its immediate use. Lack of funds alone is never sufficient reason to lease. Also, purchasing should not be ruled out in favor of leasing merely because there is a possibility that future technological improvements may make the selected equipment less desirable.

9.18.a. COST COMPARISON CONSIDERATIONS

The option of leasing is generally considered when the state must spend substantial money for an equipment item. In such situations, it is necessary to weigh several factors, including the life expectancy of the item, the feasibility of determining its final cost (considering repair and maintenance costs, trade-in or salvage value, etc.), and the likelihood that the item will need to be replaced.

9.18.b. FACTORS

Relevant factors to be considered in decisions involving equipment include:

- Length of time the equipment is to be used, extent of usage, and potential additional use by other agencies if the item is declared surplus property.
- The financial and other advantages of all types and makes available.
- Leasing costs and purchase options.
- Costs of purchase and installation.
- The likelihood that the item will soon become obsolete or outmoded due to technological improvements.

9.18.c. METHODS

The method used for making a cost comparison may need to be complex (involving factors such as interest rates, technological life, trade-in value, etc.) or it may simply involve a comparison of what it will cost to buy and maintain the equipment against the cumulative, long-term cost of leasing. Irrespective of the method used for cost comparison, the point in

time when the cumulative leasing cost will exceed the cost of purchasing usually does not vary significantly. In relation to that point the purchasing activity can decide:

- To purchase if the equipment will be used beyond the point when cumulative leasing costs exceed purchase costs;
- To lease with option to purchase when it is not certain whether the equipment's period of usefulness will exceed that point yet it is necessary or desirable to acquire the item immediately; or
- To lease without option to purchase when the equipment will not be used beyond the point where leasing costs exceed purchase costs and/or when it is not possible to obtain an option to purchase.

Types of Leases

9.18.d. OPERATIONAL LEASE

An operating lease is a service lease, usually short-term including both financing and servicing of the item leased and payments made under the lease are generally not sufficient to recover the full cost of the equipment. If no state contract is available, agencies may enter into operating leases or rental agreements at their discretion. (See section 1-5 of the Office of State Treasurer's [Lease/Purchase Program Guide](#)).

9.18.e. LEASE PURCHASE (ALSO KNOWN AS FINANCIAL LEASE)

A Lease Purchase is used to obtain financial leverage and related long-term benefits. Lease Purchases are generally long-term, for a fixed period of time just short of approximate life of the equipment being leased. Usually of two types: full payout (the lessee pays the full purchase price plus interest charges plus maintenance, insurance and administration costs) an partial payout (gives the lessee credit for residual value of the leased item after the lease period is complete)

The State Finance Committee has delegated administrative responsibility for the Lease/Purchase Program to the [Debt Management Team in the Office of State Treasurer](#) (360-902-9022). Equipment acquisitions are requested by agency managers and The Debt Management section reviews each agency request for financing to ensure that the equipment is essential to the function of the particular agency and that the finance term does not exceed the useful life of the equipment. Pursuant to WAC [236-48-230](#), before proceeding with a lease purchase agreement, agencies are to complete the [State Agency Lease/Purchase Program Form](#) and submit to the Office of State Treasurer. To requesting OSP to develop the agreement, conduct the purchase, attach a statement to the [Requisition Form A15](#) and include a copy of the State Treasurer lease purchase acknowledgment letter.

9.19. Interagency Purchasing

The Interlocal Cooperation Act, RCW 39.34, provides general authority for two or more public agencies to undertake joint or cooperative action and to enter into interagency agreements to perform any governmental service or activity which each public agency entering into the contract is authorized by law to perform. RCW 39.34.030 and RCW 39.34.080. (See [AGO 2011 No 2](#)). However, the agencies still must comply with applicable procurement law. The Interlocal Cooperation Act provides that “no agreement made pursuant to this chapter relieves any public agency of any obligation or responsibility imposed upon it by law.” (See RCW

39.34.030). According to the Attorney General’s Office, “The Interlocal Cooperation Act does not excuse public agencies from complying with otherwise applicable legal requirements. (See [AGO 2011 No 2](#) page 5). The one exception is that “any statutory obligation to provide notice for bids or proposals that applies to the public agencies involved is satisfied if the public agency or group of public agencies that awarded the bid, proposal, or contract complied with its own statutory requirements.” RCW 39.34.030(5)(b).

Prior to contracting for outside services, agencies should consider the feasibility of using qualified public resources first. (See, SAAM 15.10.40) When one state agency is purchasing services from another state agency that is authorized to provide those services, it does not have to go through the procurement process.

10. Additional Purchasing Guidance

10.1. Why Compete?

Competition is the cornerstone of government purchasing. It is sound public policy and generally required for the purchase of goods and services in excess of the “Direct Buy” threshold (currently \$5,000).

Competition is a powerful tool for garnering the highest value from Bidders at the most reasonable price. Here's why:

- Increased Participation – A competitive process provides a greater number of firms access to state business.
- Lower Prices – Full and open competition reduces costs since Bidders submit their best offers to obtain state business.
- Higher Quality – Firms who develop bids in a competitive environment pull together the strongest management and technical teams available.
- Dispel Perception of Favoritism – Unfounded or not, accusations of favoritism can hurt an agency’s reputation. Conducting a fair and open competitive process will bolster public confidence.
- Accountable and Defensible – Even the best prepared solicitation process can go awry. If it does, a competitive process aids in responding to inquiries or challenges.

10.2. Sole Source Purchasing

Sometimes competition is not available and in such cases purchasing may be made without competition. The purchasing activity must be able to demonstrate that the purchase is solely and legitimately available from only one vendor. The following are some examples of valid sole source purchases.

One-of-a-kind - The product has no competitive product and is available from only one supplier.

- Proprietary/patented products. "Only one in the world"/Prototype. A one-of-a-kind product which has essential unique design/performance features providing superior utility not obtainable from similar products. These one-of-a-kind features may include: rights in data, patent rights, copyrights, secret processes, the control of basic raw material, or similar circumstances.

Example: A pharmaceutical drug, which is under a multiple year patent and is only sold directly by the manufacturer.

Example: A one-of-a-kind oscilloscope that is available from only one manufacturer.

Example: A supplier that possesses exclusive access to necessary materials.

NOTE: The mere existence of such rights or circumstances does not in and of itself constitute sole source.

- Used goods.

Example: A television transmitter tower, that becomes immediately available and is subject to prior sale.

Justification Example

Acme is the only manufacturer which has all the required firmware and schematics necessary to manufacture a widget, so that it is compatible with existing agency-owned equipment. Only Acme sells the widget. The specifications necessary to manufacture the widget are proprietary to Acme, which is the original manufacturer of the equipment. Acme certifies that the specifications are proprietary.

Compatibility - The product must match an existing brand of equipment for compatibility and is available from only one supplier.

- Products that must be compatible with existing equipment, systems or a substantial parts inventory where compatibility is the overriding consideration, such as an integral repair part or accessory.

Example: Furniture required for the expansion of an existing workstation.

Example: Educational and complementary supplies. Single source educational supplies that support a particular program or training, such as prepared film slides, instructional multimedia products, prepared motion picture film, and printed test forms are sole source.

Example: Existing fleet of equipment is all from one manufacturer. If one piece is different it would require a different, extra inventory of parts for just one machine which would not be cost, space, or time effective.

- Products which match existing equipment.

Example: A product which must be identical to an existing product to ensure consistency in results.

- Item standardization: Requirements have been standardized.
- Equipment that include a part(s), which must meet a set specification.

Justification Example

Acme is the manufacturer of the agency-owned equipment. Additional accessories, which must be compatible with existing equipment, are an essential enhancement in order to perform a specific, necessary function. Only Acme sells the compatible accessories.

Replacement Part - The product is a replacement part for a specific brand of existing equipment and is available from only one supplier.

- Components or replacement parts for which there is no commercially available substitute.

Example: Repair parts that are proprietary.

Example: Components of a major assembly.

- Warranty required service and/or parts.

Example: Under the terms of a warranty, the original equipment manufacturer requires use of specified service personnel and genuine or original equipment manufacturer's parts.

Justification Example

The requested widgets are replacement parts for the Acme model XXX. Only Acme manufactures and sells these parts for use in their equipment. [*Describe why the parts are unique and discuss market survey to obtain equivalent parts from other manufacturers*].

Delivery Date - Only one supplier can meet necessary delivery requirements. Delivery by a specific date is essential for the completion of a task or project. Delays would cause an extreme increase in cost or detriment to the state. *Note: Poor planning or other avoidable delay by the purchasing activity cannot justify a sole source purchase.*

Project or Research Continuity - The product must comply with established standards and is available from only one supplier. Changing brands or manufacturers would compromise the continuity of the project.

- A product, equipment, part, service or supplier that, due to technically constraining factors associated with a project or research, are needed to ensure the fairness and validity of the underlying project or research.
- The requested product is being used in ongoing experiments and use of another product could cast doubt on research results.
- Other researchers have used a specific product in similar research and, for comparability of results, the same product is essential.
- Products for instructional use. The product is to be used in an instructional setting and the intent is to provide instruction on the specific product or diversity of products.

Unique Design - The product must meet physical design or quality requirements or demonstrates a unique capability to provide a particular function and is available from only one supplier.

- Products that have specific features essential for the completion of a task or project.
- Products with physical design characteristics, which satisfy specific requirements (e.g. limited space for installation).
- Products where it is practical and cost effective to match existing equipment, (e.g., office or school furniture).

Requirement by funding source - A product that is specifically and clearly required by a lender, grantor (such as the Federal government) or other provider of funds where the usage of those funds is specifically, explicitly, and clearly restricted by the lender, grantor or other provider.

Justification Example

[Agency] is the recipient of a grant from [Federal Government agency]. The grant requires that [equipment] [*describe make and model of equipment*] be used in the performance for the grant contract. The [equipment] is manufactured and only sold by Acme [*see One-of-a-kind*]

Legal monopoly - Circumstances may dictate that only one supplier can furnish the service such as Utility services.

- Public utility services such as electricity, water or sewage from natural or regulated monopolies.

Authorized service provider

- A single, specific dealer or service provider is authorized by the manufacturer.

Example: The contract for a product requires return of a defective product via a freight company specified by the contractor.

- A specific service provider is required by a warranty.

Example: Under the terms of a warranty, the original equipment manufacturer requires use of specified service personnel.

Justification Example

The agency-owned equipment at [location] is under a [duration] warranty with Acme, the original equipment manufacturer. Under the terms of that warranty, only Acme service personnel may repair the widget with genuine Acme parts or,

All service on Acme equipment in western Washington is performed by Acme, acting through its only authorized service technician [explain].

10.3. **Purchased Services versus Personal Services**

There are many types of services that the state purchases. The procurement requirements that must be satisfied vary depending upon the type of service. “[Purchased Services](#)” are generally services that meet the more routine needs of an agency for general support activities (e.g. on-going maintenance or support) and are governed by RCW [43.19](#). Purchased Services are thought of as hiring someone’s hands. Conversely, “[Personal Services](#)” are generally services that require judgment from an expert (e.g. consulting work). Personal Services are thought of as hiring an individual’s mind. Personal Services are governed by RCW [39.29](#). Below are tables of examples of characteristics and types of services to aid in distinguishing between the two.

| Personal Service Characteristics | Purchased Service Characteristics |
|---|---|
| <ul style="list-style-type: none"> • Services are professional or technical in nature and meet more specialized needs. Work is predominantly intellectual and varied. • Work is independent from the day-to-day control of the agency; consultant maintains control of work methods. • Work requires regular exercise of judgment, discretion, and decision-making; involves providing advice, opinions or recommendations; may have policy-implications for agency; often addresses management-level issues. • May require advanced or specialized knowledge, or expertise gained over an extensive period of time in a specialized field of experience. • Work may be original and creative in character in a recognized field of endeavor, the result of which may depend primarily on the individual's invention, imagination or talent. • Consultant generally assumes risk of loss if the requirements are not satisfied. | <ul style="list-style-type: none"> • Services are more repetitive, routine or mechanical in nature, following established or standardized procedures as contrasted with customary and regular exercise of discretion or independent judgment. • Services contribute to the day-to-day business operations of the agency, rather than the management or policy side of the agency, and may meet more general needs of the agency. • Services generally involving completion of an assigned task, rather than an entire project. • Decision-making and analysis, if required, is more routine or perfunctory in nature. • Services that are generally performed based upon agency direction. |
| <p>NOTE: The fact that a service possesses one of the above characteristics is not necessarily conclusive to a determination of personal or purchased service, but rather the service should generally fit the applicable criteria.</p> | |

Examples of Purchased and Personal Services

The list below is a guide to assist agencies in determining whether a service is generally considered a personal service or a purchased service. Always carefully review the proposed services being required under the contract to make sure the correct purchase authority is followed.

For example, a contract for conference coordination could be either personal or purchased service, depending upon the responsibilities of the contractor. If the contractor is independently responsible for organizing, implementing and coordinating the conference with only minimal guidance from the agency, the contract would be a personal service. If the contractor is following prescribed instructions and the Purchasing Activity has primary responsibility for coordination of the conference, the contract would be designated as a purchased service contract.

| Examples of Personal Services | Examples of Purchased Services |
|---|--|
| <p>Accounting services Actuarial services Analysis and assessment of processes, programs, fiscal impact, compliance, systems, etc. Appraisal services Art work, original (services creating the art work) Audio/video media productions (design, development and/or oversight of) Auditing services Business analysis and assessment services Business process re-engineering Communications (including design, development or oversight of audio/video productions, brochures, pamphlets, maps, signs, posters, annual reports, etc.) Conference and trade show coordination Consultation on programs, plans, projects, systems, etc. Counseling employees Curriculum development Economic analysis and consultation Environmental Planning/Technology/Studies (except when part of an architectural/engineering project) Evaluation of processes, programs, projects, systems, etc. Executive recruitment Expert witness services for litigation/testimony Facilitation for groups, projects, retreats Facilities planning/coordination Feasibility studies (except when part of an architectural/engineering project) Financial services Fund raising Grant writing Graphic design (creative or original in nature) Guest speakers Investigations (personnel related, etc.) Investment advisors and management Labor negotiations and labor relations services Legal and paralegal services Legislative liaison services Lobbying services Management consulting Marketing services, including identifying market opportunities, conduct of marketing programs, planning, promotion, market research surveys, etc. Mediation, negotiation and arbitration services Medical and psychological services, including evaluation and consultative services (For blood draws, physicals, blood pressure checks, etc., see Health Screening under purchased</p> | <p>Advertising in newspapers, magazines, billboards, etc. Ambulance/emergency medical tech. service Air/bus, vehicle charter/rental service Auctioning service Audiometric testing Banking Services (routine, transaction based) Boiler testing/water treatment service Bookkeeping service (routine, transaction based) Building alarm systems, service and repair Check collection service Clothing, textile fabrication repair service Commercial laundry service, dry cleaning, etc. Communications systems installation, servicing and repair Court reporting and transcription services Credit card service Debt collection service Delivery/courier service Document storage, duplication, retrieval, review and destruction service Drug testing and screening (standard tests) Engraving service Environmental monitoring: noise level, safety, hazardous gas detection, radiation monitoring service, etc. (using standardized processes) Equipment installation, preventive maintenance, inspection, calibration and repair Equipment rental services Exam testing administration and scoring service Firefighting/suppression service Food preparation, vending and catering services Health screening, basic diagnostic (wellness, blood pressure monitoring, blood draw, etc.) Herbicide application service Household goods packing, storage, transportation service HVAC system maintenance service Interpretive services: written/oral/sign language Inventory service Janitorial service, carpet cleaning, window washing Laboratory testing and analysis (standard tests only) Land clearing/debris removal service (when not using heavy equipment) Landscaping--tree planting, grooming service, lawn mowing (except when part of an architectural/engineering project) Language translation service Lay witness (called to testify in a court case) Linen rental service Marine equipment inspection, certification and repair Medical equipment rental or repair service (wheel chairs, walkers, etc.) Includes measurements, adjustments and</p> |

| Examples of Personal Services | Examples of Purchased Services |
|---|---|
| <p>services.)</p> <p>Needs assessment (except when part of an architectural/engineering project)</p> <p>Operational assessments</p> <p>Organization development</p> <p>Outreach services for programs</p> <p>Peer review</p> <p>Planning services (except when part of an architectural/engineering project)</p> <p>Policy development and recommendations</p> <p>Productivity improvement</p> <p>Program development, assessment, implementation, coordination, evaluation, etc.</p> <p>Public involvement services and strategies</p> <p>Public relations services</p> <p>Publication development (See Communications)</p> <p>Quality assurance/quality control services</p> <p>Recommendations on processes, products, projects, systems, etc.</p> <p>Recruitment, executive</p> <p>Research services — social, environmental, technical, etc.</p> <p>Retreat and workshop planning, conduct, coordination, etc.</p> <p>Scientific and related technical services</p> <p>Strategic planning</p> <p>Speech and report writing</p> <p>Statistical analysis</p> <p>Studies, development and conduct</p> <p>Surveys (including development of instrument, conduct and analysis of results — if conduct only of standard survey instrument, would be purchased service)</p> <p>Temporary employment service for professional services: architects, engineers, registered nurses, doctors, etc.</p> <p>Trade development services</p> <p>Training — when it is: (a) offered to specific categories or classes of employees; (b) offered to all or most agency employees six times or less in a fiscal year</p> | <p>modifications to meet patient needs</p> <p>Metal/pipe/wiring detection service</p> <p>Office furnishings installation, refurbishment and repair service</p> <p>Package inspection and crating</p> <p>Painting service (unless public works)</p> <p>Paper shredding</p> <p>Parking lot sweeping/snow removal service</p> <p>Pest/weed control service</p> <p>Photographic/micrographic processing and delivering, includes aerial and ground photography (if analysis is included, then personal service)</p> <p>Process serving</p> <p>Property management (rent collection, property maintenance, etc.)</p> <p>Recycling/disposal/litter pickup service</p> <p>Security/armored car services</p> <p>Shop welding/metal fabrication service</p> <p>Steam cleaning, high pressure washing, parts cleaning service</p> <p>Studio photography service (does not include portrait painting)</p> <p>Telephone interview service (conduct of survey using prescribed survey instrument)</p> <p>Temporary employment service (clerical support, dictation, word processing, bookkeeping, etc.)</p> <p>Test fishing service</p> <p>Towing service</p> <p>Training — when it is offered on a recurring basis (more than six times per fiscal year) to all or most employees. Also includes existing satellite down-link courses and teleconferencing training services</p> <p>Travel service — air, surface, water</p> <p>Tree topping (when not using heavy equipment)</p> <p>Utility services: garbage, fire protection, heat and sewer, cable TV, power, water, etc.</p> <p>Vehicle inspection, lubricating and repair services</p> <p>Videotaping and recording service</p> <p>Warehouse dry/cold storage rental service</p> <p>Weather information service</p> |

In the procurement of purchased services, emphasis must be placed on the drafting of [specifications](#) or [statement of work](#) rooted in end results, not process. Include [prevailing wage](#) requirements where applicable. Also, include insurance provisions where work is completed on state property or where otherwise required by Division of Risk Management. Your agency should be listed as an additional named insured party on the certificate of insurance.

10.4. Specifications

10.4.a. WHAT IS A SPECIFICATION?

A specification is a detailed description of a good or service used to inform prospective suppliers precisely what is required. The nature of a good or service will determine whether specifications will be long or short and what descriptive format should be used. At the least, the specification must contain both a description of the physical and/or performance characteristics and any required quality assurance provisions. (See WAC [236-48-003](#) (34) and WAC [236-48-079](#)). Regardless of length or format, however, the specification will define minimum requirements.

10.4.b. OBJECT OF A SPECIFICATION

The object of a specification is to communicate to both the buyer and the supplier what is required to satisfy the need. The specification provides the basis for judging whether or not the Bidder has met requirements. The specification must be written in clear, unambiguous, and precise language to communicate effectively.

10.4.c. WHAT IS A GOOD SPECIFICATION?

A good specification is one that ensures that the purchasing activity's need will be met, promotes full and open participation, and can be validated for compliance (through quality assurance testing or other means). The well-written specification will be precise and clear. If there is any ambiguity or room for interpretation, the suppliers may make interpretations that work to their own advantage and the state's disadvantage. Elements of a good specification:

- Based on needs (not wants).
- Emphasizes function and/or performance.
- Avoids unnecessarily unique requirements.
- Identifies the essential characteristics of the goods/services to be purchased.
- Does not require features unnecessary for intended use.
- Not written by a prospective bidder (See [Ethical Behavior and Conduct](#)).
- Provides for commercial, off-the-shelf products if available.
- Encourages competitive bids to the maximum extent practicable.
- Quantifiable rather than qualitative.
- Verifiable.
- Does not overstate quality Methods of Describing Specifications.

The methods of describing specifications usually fall into one or combinations of the following categories:

- [Performance Specification](#).
- [Design Specification](#).
- [Brand Name or Other Approved Specification](#).
- [Qualified Product List](#).

- [Standard Specification.](#)
- [Statement of Work.](#)

The various types of specifications vary in how they describe the requirements of the good or service and how successfully they promote full and unrestricted competition.

10.4.d. PERFORMANCE SPECIFICATION

Performance specification (also known as a functional specification) is the preferred method for describing the needed goods or services because it puts the responsibility for a satisfactory outcome on the supplier. Performance specification is results and use oriented, leaving the supplier with decisions on how to make the most suitable product. Some areas to consider are measurement criteria, speeds, compatibility with existing equipment, ease of operation, reliability, etc.

A performance specification also promotes competition. It identifies the requirements in such terms as capacity, function or operation. As such, the end user will be primarily more interested in the service or function that the item will perform. Normally, the details of design, fabrication, manufacture and internal structure rest with the supplier. The end user is interested primarily in function and performance.

Whenever possible, performance specifications should state what the item is to do rather than what it is; not over emphasizing technical detail. Performance characteristics may include:

- Output in terms of available power, velocity, production per minute, area of coverage, depth of penetration, etc.
- Capacity in terms of total load, cubic content, etc.
- Dimensional limitations (maximums and/or minimums).
- Weight limitations (maximums and/or minimums).
- Necessary physical characteristic (e.g. Hardness or other property).
- Capability for performance (e.g. Maneuverability).
- Degree of tolerance or accuracy.
- Resistance to external physical and chemical influences.
- Other properties or qualities that have to do with how the item should perform.

Particular care must be taken to consistently use performance-level details. For example, if the speed or capacity of a machine is stated, the horsepower of the power unit required would not be specified. Rather, a performance need would be stated: The power unit is to have sufficient capacity to operate the machine at stated speeds under stated loads.

When performance specifications are used, you may need to state the type of inspection or test that will be used to determine if the item furnished meets the performance requirements of the specification.

10.4.e. DESIGN SPECIFICATION

A design specification is one that sets forth physical characteristics in definitive terms. Design specifications may include the composition of the materials to be used in making the product as well as the size, shape, and mode of fabrication. As design specifications focus on how a

product is to be fabricated or constructed they are normally used for engineering or construction projects.

Elements of a design specification include:

- Dimensions, tolerances, and specific manufacturing or construction processes.
- Drawings and other detailed instructions to describe the product.

A design specification can sometimes restrict competition.

10.4.f. BRAND-NAME OR OTHER APPROVED SPECIFICATION

It may not always be cost effective to develop detailed product specifications for every solicitation. When justified, use of a Brand name or other approved specification may be the best available option. A Brand name or other approved specification references a specific manufacturer and model number (or some other unique product identifier) that serves as a standard of quality in which all other products will be evaluated (See WAC [236-48-003\(7\)](#)).

When using the Brand name or other approved specification, it is recommended that:

- The decision can be justified and every effort should be made to maximize competition.
- Potential Bidders understand that no preference will be given to the brand name specified but only serves as the standard of quality.
- If at all possible, use a brand designation that is known throughout the industry or whose specifications are readily available.
- The solicitation identifies the process and requirements for proposing an alternative to the standard of quality as well as the evaluation criteria.
- The purchasing activity, at its sole discretion, will decide which alternative products will be considered acceptable.

10.4.g. QUALIFIED PRODUCTS LIST SPECIFICATION

A Qualified Products List (QPL) is a form of specification in which various brands and models of a specific item are examined, approved, and placed on a list prior to release of the solicitation. The purpose of this type of specification is to determine in advance products that are acceptable. A QPL is especially useful for products that are repetitively purchased yet on-going competition is advisable to ensure the most current and competitive pricing is achieved.

The criteria and methods for establishing and maintaining a QPL vary widely. Whatever method is used, it is vital that the evaluation process and criteria are justifiable. Additionally, it is recommended that the QPL be periodically updated to promote maximum competition and allow other suppliers an opportunity to compete.

10.4.h. STANDARD SPECIFICATION

As markets evolve, an industry will often develop standard specifications that all suppliers conform to and are compatible with. Alternatively, proprietary specifications command premium pricing and sometimes result in an unintended long-term relationship with a single supplier. Therefore, as much as possible, industry standard specifications should be utilized in bid specifications, not supplier specific specifications. Doing so facilitates improved compatibility, more competition, and lower pricing. Sometimes agencies may establish their own standard specifications to achieve consistency, and compatibility with existing equipment

or products. With fewer products to support, the purchasing activity may then realize improved savings by minimizing spare part inventories and training requirements. Should the purchasing activity elect to establish its own standard specifications, those standard specifications should be justified and allow for competition as much as possible. Additionally, standard specifications should be regularly updated to take advantage of industry advancements.

10.4.i. STATEMENT OF WORK

One of the most important elements in the contracting for services is writing the Statement of Work (SOW). The purpose of the SOW is to describe the overall project purpose and specific objectives to help suppliers understand the scope and magnitude of the work. Listing clear deliverables is essential to measuring successful work requirement outcomes and therefore it is important that the SOW:

- Describe each deliverable fully.
- Clearly identify when the deliverable must be met.
- Indicate acceptance of work is linked to payment.

Writing a SOW that ensures deliverables will be met requires careful thought. As a best practice, a well written SOW should pass the SMART test.

- S= Specific.
- M=Measurable.
- A=Achievable.
- R=Realistic.
- T=Time Bound.

10.5. Evaluation Committees

Use of a qualified evaluation committee is considered a best practice by promoting objectivity and better ensuring that a bidder's offer is capable of satisfying the need. When utilizing an evaluation committee the following is recommended:

- Committee membership can be justified (e.g. technical expert or end user). The procurement coordinator facilitates the process but does not typically serve as an evaluator on the committee.
- The committee includes at least three members.
- No conflict of interest exists and no confidential information will be disclosed. Require each committee member to read and sign the [Declaration- Conflict of Interest and Confidential Information](#) form.
- The evaluation process and criteria promotes fairness and objectivity.
- Bidder pricing should not be a consideration of the evaluation committee. Pricing should be evaluated separately.
- All committee members understand and follow the evaluation process.

- If the committee requires additional information or clarification, the procurement coordinator will be responsible for obtaining it.
- Committee member evaluation and scoring is both objective and justifiable.

10.6. Award Methodologies

RCW [43.19.1911](#) requires that an award must be made to the lowest responsive responsible bidder. Below are some possible award methodologies to accomplish this according to the solicitation type.

10.6.a. LOWEST PRICE

For most low dollar procurements, it is not always practicable or cost effective to evaluate Bidder responsibility criteria. This is especially true when soliciting price quotes. For most RFQs, the lowest price serves as the basis for award. When the RFQ requests pricing for multiple items, it may be beneficial to include language allowing the award to be made on a line item basis or based on the total overall price.

10.6.b. HIGHEST TOTAL SCORE

For purchases that consider factors in addition to price, points are often assigned to cost and non-cost factors. When assigning points to cost and non-cost factors, it is important that point weighting is structured to achieve the intended results and represent best value (See the [Best Value Bid Weighting Calculator](#)). The Bidder with the highest point total receives the award. With this methodology, the response determined to represent the best value will receive the award. This may not be the lowest price.

10.6.c. BEST SOLUTION

When the best way to meet a need is not known, an RFP process may be used in which suppliers are invited to propose a solution. When an RFP is used, the award is made to the Bidder proposing the best overall solution as determined by the purchasing activity, and is not limited to the lowest price. Points are typically assigned and weighted to the criteria that will be evaluated. The supplier with the highest total points is awarded the contract.

10.6.d. MULTIPLE AWARDS

In general, purchases should be made from the Bidder determined to be lowest responsive responsible bidder. Sometimes regional awards may be used to achieve statewide coverage. Also, separate awards may be made in different product categories within a solicitation. Additionally, to ensure continuity of supply, sometimes it may be necessary to award to multiple bidders. However, when multiple awards are made, some form of ranking system should guide which supplier will be used and not personal preference. If the highest ranked supplier does not have availability or capacity to supply the contracted items within the required timeframe, the next highest ranking supplier may then be utilized.

10.7. Delivery and Transfer of Ownership

Most purchasing decisions involve shipping decisions. It is not uncommon to require Bidders to include shipping costs in their bid price (e.g. [FOB Destination](#); Freight Prepaid). One advantage of doing so is that it ensures a complete and fair price evaluation. However, when deliveries are to multiple but yet to be known locations throughout Washington or when fuel volatility impacts delivery costs, bid prices that include delivery may be inflated to protect

against uncertainties. In such cases, the best possible pricing may be achieved by separating the delivery cost from the product cost. Either way, delivery cost should be factored into bidder evaluation.

The following table summarizes commonly used shipping terms and their implications:

NOTE: You will sometimes see the term "Freight Allowed" which means the seller pays the freight bill, and absorbs the costs.

| Terms of Sale | Payment of Initial Freight Charge | Bears Final Freight Cost | Owens Goods in Transit | Files Claims, if any |
|--|-----------------------------------|--------------------------|------------------------|----------------------|
| FOB Destination, Freight Prepaid (Allowed) | seller | seller | seller | seller |
| FOB Destination, Freight Collect | | buyer | seller | seller |
| FOB Destination, Freight Prepaid and Added (Charged back to buyer on invoice) | seller | buyer | seller | seller |
| FOB Shipping Point, Freight Prepaid (Allowed) | seller | seller | buyer | buyer |
| FOB Shipping Point, Freight Collect | | buyer | buyer | buyer |
| FOB Shipping Point, Freight Prepaid and Added (Charged back to buyer on invoice) | seller | buyer | buyer | buyer |

10.8. Asset Management and Disposal

10.8.a. MATERIALS MANAGEMENT CENTER(S)

The Materials Management Center (MMC) offers the following services:

- Storage Solutions offers rental space, available at the Tumwater location for short and long term storage. For more information on Storage Solutions call (360) 753-3508x5 or Storagesolutions@des.wa.gov.
- Transportation Services are available with a fleet of trucks and trailers for statewide hauling of surplus property and supplies. Flatbed trailers are used to transport vehicles and heavy equipment anywhere in the state. For information call (360) 753-3508x3 or Transportservices@des.wa.gov.
- Surplus Property, offers public organizations statewide the opportunity to send their surplus goods such as vehicles, furniture, computers, and more to sell, recycle, or dispose of. Surplus goods are sold via, online auction sales or through public store, located in Tumwater. (See [Surplus Properties](#), call (360) 753-3508x2 or visit www.ga.wa.gov/surplus to find out more).

10.8.b. DISPOSING OF STATE SURPLUS PROPERTY

The [Surplus Property](http://www.ga.wa.gov/surplus/) (<http://www.ga.wa.gov/surplus/>) was established to receive and effectively redistribute surplus and excess items from state agencies to other state agencies, governmental entities and private non-profit organizations. State Surplus may be used by other governmental entities and private non-profit organizations for the proper disposal of surplus items.

The disposal of surplus items is subject to the procedures contained in the [Property Disposal Manual](http://www.ga.wa.gov/surplus/Procedure.htm) (<http://www.ga.wa.gov/surplus/Procedure.htm>). The Property Disposal Manual is designed to guide you through the state surplus process.

10.8.c. DISPOSING OF SCRAP MATERIALS

Some surplus items may be designated as scrap, see: RCW [43.19.1919\(3\)](#), [WAC 236-48-190\(7\)](#), and [WAC 236-48-1901\(5\)](#). State agencies may "scrap" their unusable excess and surplus "personal" property assets subject to the following requirements:

1. DES delegates to state agencies the authority to dispose of unusable surplus "personal" property assets designated as "scrap" by the owning agency.
2. State Surplus Property Program no longer processes requests for scrap disposal. State agencies are not required to submit a Surplus Property Disposal Request (267-A) to State Surplus when disposing of unusable surplus "personal" property assets designated by the owning agency as scrap.
3. This authority is not to be confused with the disposal of scrap metal that should be handled under the state contract for the disposal of scrap metal. For large quantities of scrap metal, State Surplus may handle the disposal process via an on-site sale.
4. Each agency's internal asset management policies still apply to the disposing of scrap items. Agency to make necessary internal inventory adjustments as per agency policy.
5. Follow proper disposal methods and use available state contracts for the dispose of scrap.
6. Agencies must review their surplus items and determine whether those items should be designated "scrap" by using the following guidelines:
 - a) Broken and Not Repairable – Items that are not economical to repair.
 - b) Missing Key Parts – Item that has missing parts and it would not be cost effective or economical to replace the missing parts.
 - c) Unsafe for Use – Items where it is not cost effective or economical to make them safe to operate or keep.
 - d) No Secondary Use – Items that have no feasible secondary uses and have little resale value.
 - e) Higher Overhead Cost – Items that can be documented to have a higher overhead cost than can be realized from their sale, can, at the discretion of the Director of DES or designee, be scrapped or dumped if there is not an acceptable donation organization available.
 - f) Hazardous Materials – Items that have a hazardous component or element are included in this general authority. Even though a surplus document would not be submitted, the owning agency is responsible for the safe and proper disposal of any hazardous materials as defined by the Department of Ecology and the agency's hazmat policy.

The state has various contracts for the handling and disposal of hazardous and dangerous waste.

11. Resources

11.1. Standard Purchasing Forms

The Office of State Procurement makes available and regularly updates an online library of [Standard Purchasing Forms and Templates](#) in an effort to:

- Establish uniform terms and conditions for all purchases of goods and services.
- Protect the rights and interests of the state.
- Minimize risk.

11.1.a. OSP FORMS

Because the following forms address meet compliance requirements, the template language should not be modified. Use these forms where applicable:

- [A15 Purchase Requisition Request](#) - Used to initiate an acquisition through the OSP.
- [Certificate of Recycled Material Content](#) - To be completed by Bidders when bidding goods containing [recycled material content](#) to certify their eligibility for statutory [price preferences](#).
- [WTO Notice of Planned Procurement](#) – Used to provide the minimum 40-day notice of a Purchasing Activity’s planned procurement in accordance with the [World Trade Organization General Purchasing Agreement](#) (GPA) requirements. The format is approved by the Office of the United States Trade Representative for use in statewide publications.
- [WTO Notice of Award](#) – Used to provide notice of award of purchases made in accordance with the [World Trade Organization](#) requirements.
- [Declaration of Emergency](#) - Used by agencies for emergency purchases made in response to unforeseen circumstances beyond the control of an agency which present a real, immediate, and extreme threat to the proper performance of essential functions and/or may be reasonably expected to result in excessive loss or damage to property, bodily injury, or loss of life.
- [Declaration—Conflict of Interest and Confidential Information](#) – Used by bid evaluation committee members and any technical advisors prior to the receipt and evaluation of any bids or proposals.
- [Best Buy Report](#) – Used to report a Purchasing Activity’s decision to not use an existing state contract to purchase an identical or equal item available on that contract.
- [Correctional Industries](#) – Used to submit a request for an exemption to the requirement to use state contracts with Correctional Industries.

11.1.b. OTHER USEFUL TEMPLATES:

- [IFB/RFP Solicitation Template](#)—Used for the acquisition of goods and/or services under the authority of RCW 43.19. The final contract should reflect and compliment the requirements of the IFB/RFP.
- [Request for Quote \(RFQ\)](#) – Used to develop a Request for Quote.
- [Competitive Procurement Standards](#) (CPS) – Standard instructions, definitions, and Terms and Conditions that apply to state contracts. Starting on May 10, 2007, the state discontinued use of the CPS and began transitioning to the new [IFB/RFP Solicitation Template](#).
- [Solicitation Amendment](#)– A template used to modify a solicitation after the issuance but prior to the opening of the solicitation.
- [A17 Field Order](#)- Used by agencies as a local purchase order form to order, encumber, liquidate, and authorize payment for local purchases. This form is used when an agency has delegated purchase authority to make a purchase or when the good or service is purchased off a state contract.

11.2. Procurement Laws and Rules for Goods and Purchased Services

11.2.a. RCW [43.19](#), DEPARTMENT OF ENTERPRISE SERVICES.

11.2.b. RCW [43.19A](#), RECYCLED PRODUCT PROCUREMENT.

11.2.c. WAC [236-48](#), OFFICE OF STATE PROCUREMENT.

11.2.d. WAC [236-49](#), RELATIONSHIP & PROCEDURES BETWEEN DIVISION OF PURCHASING & STATE AGENCIES.

12. Cross Walk

The following table has been provided as a tool to cross reference purchasing authorities between the 2003 edition of the General Authorities and the WPM.

| Delegated Purchase Authority | | Reference | |
|--|--|---------------------|------------------------------|
| General Authorities | Washington Purchasing Manual | General Authorities | Washington Purchasing Manual |
| Basic General Authority | <u>Up to \$10,000</u> | G.1 | 7.1.a |
| Utilities | <u>Utilities</u> | G.2 | 7.2.a |
| Postage | <u>Postage and Postal Service</u> | G.2 | 7.2.b |
| Selected Goods and Services | <u>Over \$10,000</u> | G.3 | 7.1.b |
| Fuel purchases | <u>Fuel</u> | G.3.a | 7.1.b.2 |
| Alarm Systems | <u>Alarm Systems</u> | G.3.b | 7.1.b.3 |
| Sand, gravel and concrete ready mix | <u>Sand, gravel and concrete ready mix</u> | G.3.c | 7.1.b.4 |
| Purchased Service Activities | <u>Purchased Service</u> | G.3.d | 7.1.b.7 |
| Sole Source/Special Market Condition | <u>Purchases Exempt from Competition</u> | G.4 | 7.2 |
| Professional licenses and memberships | <u>Professional licenses and memberships</u> | G.4.a | 7.2.c |
| Publications, subscriptions and information service directories | <u>Publications, subscriptions and information service directories</u> | G.4.b | 7.2.d |
| Registration/tuition | <u>Conferences & Seminars</u> | G.4.c | 7.2.e |
| Miscellaneous fees | <u>Miscellaneous fees</u> | G.4.d | 7.2.f |
| Temporary Boat Moorage | <u>Purchased Service</u> | G.4.d | 7.1.b.7 |
| Administration of testing program services | <u>Purchased Service</u> | G.4.e | 7.1.b.7 |
| Broadcast & Media Production Services | <u>Purchased Service</u> | G.4.f | 7.1.b.7 |
| Legal/promotional advertisements and awards | <u>Legal/promotional advertisements and awards</u> | G.4.g | 7.2.g |
| Original works of art | <u>Original Works of Art</u> | G.4.h | 9.14 |
| Costs for use of patented graphic design or artwork and reproduction rights associated with that patent. | <u>Costs for use of patented graphic design</u> | G.4.i | 7.2.h |
| OEM repair services | <u>OEM</u> | G.4.j | 7.2.i |
| Technical inspection | <u>Technical inspection</u> | G.4.k | 7.2.j |

| Delegated Purchase Authority | | Reference | |
|---|--|---------------------|------------------------------|
| General Authorities | Washington Purchasing Manual | General Authorities | Washington Purchasing Manual |
| All maintenance and repair services | <u>Purchased Service</u> | G.4.l | 7.1.b.7 |
| Expenses incurred in managing assets | <u>Expenses incurred in managing assets</u> | G.4.m | 7.2.k |
| Hazardous waste disposal services | <u>Purchased Service</u> | G.4.n | 7.1.b.7 |
| Gasoline Charge cards | <u>Non-Delegated Purchases</u> | G.4.o | 8.1.g |
| Groceries: (state commodity code group 89) | <u>Groceries</u> | G.4.p | 7.1.b.5 |
| Boiler compounds | <u>Up to \$10,000</u> | G.4.q | 7.1.a |
| Plants, flowers, shrubs and tree seedlings | <u>Plants</u> | G.4.r | 7.b.6 |
| Training services | <u>Training Services</u> | G.4.s | 7.2.l |
| Basic health screening/diagnostic costs | <u>Basic health screening/diagnostic costs</u> | G.4.t | 7.2.m |
| Repair or replacement of rental equipment | <u>Repair or replacement of rental equipment</u> | G.4.u | 7.2.n |
| Minor costs incurred in donating of agency owned used equipment | <u>Minor costs incurred in donating of agency owned used equipment</u> | G.4.v | 7.2.o |
| Third Party Expenses | <u>Third Party Expenses</u> | G.4.w | 7.2.p |
| Interagency Contracting Expenses | <u>Interagency Contracting Expenses</u> | G.4.x | 7.2.q |
| Used Equipment/Materials | <u>Used Equipment/</u> | G.5 | 7.1.b.9 |
| Purchases Via Federal Programs | <u>Purchases Via Federal Programs</u> | G.6 | 3.4.j |

13. Glossary

Agency

Source: [WAC 236-48-003\(1\)](#)

State of Washington institutions, the offices of the elective state officers, the Supreme Court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the "Agency" does not include the legislature but does include colleges, community colleges and universities who choose to participate in [state contract\(s\)](#).

All or nothing award

Source: [WAC 236-48-003\(2\)](#)

All or nothing award. A method of award resulting from a competitive solicitation by which the purchaser will award all items to a single bidder. Also, a designation the Bidder may use in its Bid or response to indicate its offer is contingent up on full award and it will not accept a partial award.

Alternate

Source: [WAC 236-48-003\(3\)](#)

1. A substitute offer of goods and services which is not at least a functional equal in features, performance and use and which materially deviates from one or more of the specifications in a competitive solicitation.
2. A bid submitted in knowing variance from the specifications, terms, conditions or provisions of the solicitation. Such a bid is acceptable only when the variance is deemed immaterial.

Amendment

A change to a legal document.

Solicitation: For the purposes of a Solicitation document, an amendment shall be a unilateral change issued by the Purchasing Activity, at its sole discretion.

Contract: An agreement between the parties to change the Contract after it is fully signed by both parties. Such agreement shall be memorialized in a written document describing the agreed upon change including any terms and conditions required to support such change. An Order Document shall not constitute an Amendment to a Contract.

Best Buy

Source: RCW [43.19.190\(2\)](#)

A cost effective direct purchase from a source other than a [state contract](#). (See [Best Buy Program](#), [State Contract Purchases](#))

Bid

Source: [WAC 236-48-003\(4\)](#)

A written offer to perform a contract to purchase or supply goods or services in response to an invitation for bid. (See [Bidder](#), [Invitation for Bid](#), and [Proposal](#)).

Bid List

Source: [WAC 236-48-003\(38\)](#)

List of potential bidders maintained by the Office of State Procurement or Purchasing Activity from which names may be drawn for solicitation of bids, quotes or proposals. (See RCW [43.19.1908](#) and [WEBS](#))

Bid Evaluation

A review of bids/proposals received as a result of a competitive process after opening to determine bidders' responsibility, responsiveness to requirements, and to ascertain other characteristics of the bids/proposals that relate to determination of the successful bidder(s).

**Bid Opening
(or Bid Closing)**

The official process in which sealed bids are opened, usually in the presence of one or more witnesses, at the time and place specified in the invitation for bid. Each bid is logged and bids are made available for public inspection only after award of the contract. The bid opening may be open to the public. (See [Bid](#) and [Receipt and Opening of Responses](#))

Note: If no public bid opening and there is a delay in the actual opening of responses after the designated due date and time, the designated due date and time shall be considered the “Bid Opening” for purposes of calculating any time periods including those identified in RCW or WAC.

Bid Sample

A sample to be furnished by a Bidder to show the characteristics of a product offered in a bid/proposals for examination, comparison, testing and evaluation by the prospective purchaser.

Bidder

Source: [WAC 236-48-003\(5\)](#)

A supplier who submits a bid, quotation or proposal. (See [Bid](#), [Invitation for Bid](#), and [Proposal](#)).

Bidder's bond

Source: [WAC 236-48-003\(6\)](#)

As used in RCW [43.19.1915](#) shall mean either a bid guarantee or performance guarantee as addressed herein and as further outlined in WAC [236-48-035](#) through [236-48-036](#).

Brand

Source: [WAC 236-48-003\(7\)](#)

A specification identifying a manufacturer of the goods described in a competitive solicitation to identify a standard of quality against which other products will be evaluated.

Commodity

A service and/or a moveable, tangible article of trade or commerce, something of value that is bought or sold.

**Community
Rehabilitation
Programs (CRP)**

Source: RCW [43.19.525](#) (2)

An entity that is:

1. Recognized by the DSHS Division of Vocational Rehabilitation as a Community Rehabilitation Program; AND
2. Registered with the Secretary of State as a non-profit corporation

Competition

Source: [NIGP](#)

The effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms (including price)..

**Competitive
Procurement
Standards (CPS)**

OSP developed documents containing information relating to all invitations to bid. The CPS is comprised of Standard Definitions, Standard Instructions for Bidders, Standard Terms and Conditions. (See also <http://www.ga.wa.gov/business/cps.htm>)

**Competitive
Solicitation**

A documented formal competitive process culminating in an award to the lowest responsive responsible bidder.

**Confidential
information**

Source: [WAC 236-48-003\(8\)](#)

Any information meeting the criteria in RCW [42.56.210](#) or any information designated as confidential pursuant to law.

| | |
|---|--|
| Conflict of Interest | A situation where the personal interests of a contractor, public official or employee are, or appear to be, at odds with the best interest of the state. (See Ethical Behavior and Conduct) |
| Contract Source: NIGP | An agreement between parties with binding legal force, usually exchanging goods or services for money or other considerations. (See State Contract). |
| Contractor Source: WAC 236-48-003(9) | Individual, company, corporation, firm, or combination thereof with whom purchaser develops a contract for the procurement of goods and services. (See Supplier). |
| Cooperative Purchasing Source: NIGP | The action taken when two or more entities combine their requirements to obtain advantages of volume purchases including administrative savings and other benefits. (See Purchasing Cooperative and Exceptions to Competitive Procurement Process). |
| Correctional Industries | An inmate work program within the Department of Corrections that uses inmate labor to produce goods and services for state agencies. (See Correctional Industries). |
| Delegated Purchase Authority Source: WAC 236-48-003(10) | Authority to purchase goods and/or services delegated to an agency by Office of State Procurement pursuant to RCW 43.19.190(3) and which is delegated in one of the following forms: <ol style="list-style-type: none"> 1. General-Those purchases delegated by the Office of State Procurement (via the WPM) which are common to multiple state agencies. 2. Specific-Those purchases delegated to specific agencies for continuing individual commodity requirements. 3. Limited-Those purchases delegated to a specific agency for one-time commodity requirements. |
| Delivery Terms Source: NIGP | Conditions in a contract relating to freight charges, place of delivery, time of delivery or method of transportation. (See Delivery and Transfer of Ownership). |
| Design Specification Source: NIGP | A specification that establishes the characteristics an item must possess, including detail indicating how it is to be manufactured. It tells the contractor in very prescriptive terms, what they are to provide the buyer. (See Design Specifications). |
| Direct Buy Limit Source: WAC 236-48-003(11) | Dollar amount below which competition is not required. (See RCW 43.19.1906 (2) and Direct Buy Purchases). |
| Director Source: WAC 236-48-003(12) | Except where otherwise specifically noted shall mean the state Purchasing and Material Control Director, who is the assistant director, Office of State Procurement. (See RCW 43.19.190). |

Effective Date of Contract

The date on which the contract starts.

Emergency

Source: RCW [43.19.200](#)(2)

Unforeseen circumstances beyond the control of the agency which present a real, immediate, and extreme threat to the proper performance of essential functions or which may reasonably be expected to result in excessive loss or damage to property, bodily injury, or loss of life.

Emergency Purchase

Source: WAC [236-48-003](#)(13)

A purchase made pursuant to RCW [43.19.200](#) in which the normal competitive purchasing procedures have been waived by a declaration of emergency issued by the agency director as defined in RCW [43.19.200](#). (See [Emergency Purchases](#)).

EPEAT Registered Electronic Product

EPEAT registered electronic means the following products defined under [RCW 70.95N.020](#) (6) that qualifies for registration as an EPEAT product:

1. A cathode ray tube or a flat panel computer monitor having a viewable area greater than four inches when measured diagonally;
2. A desktop computer;
3. A laptop or
4. A portable computer

Equal

Source: WAC [236-48-003](#)(14)

An offer of goods and/or services which meets or exceeds the quality, performance and use of the specifications identified in a competitive solicitation. (See [Brand](#))

Fair market price

Source: WAC [236-48-003](#)(15)

The price determined by the Purchasing Activity to be consistent with current market value for the goods or services being purchased from community rehabilitation programs and eligible programs of the department of social and health services which has been determined pursuant to RCW [43.19.530](#).

Field Order (A17)

An Order Document issued to a vendor by the agency in accordance with its authority to make a purchase. (See [Standard Purchasing Forms](#)).

Free on Board (FOB)

Source: [NIGP](#)

Acronym for Free on Board. The term is used with the designation of a physical point to determine the responsibility and basis for payment of freight charges and, unless otherwise agreed, the point at which title for the material passes to the buyer or consignee. (See [Delivery and Transfer of Ownership](#)).

Formal Sealed Bid Procedure

Source: WAC [236-48-003](#)(16)

Procedure by which the purchasing activity solicits written competitive bids or proposals from a sufficient number of prospective bidders thought to be of advantage to the state to assure adequate price and product competition by means of a written invitation for bid (IFB) or request for proposal (RFP) or other solicitation method setting forth specifications and all material and objectively measurable criteria for the intended purchase. Unless exception(s) are authorized in the solicitation document for electronic bid procedures, all bids are to be submitted in sealed envelopes to the location indicated in the bid documents and must be received by the time indicated therein. No disclosure of

bids or bid information is made prior to the public bid opening. After the bid opening, all bid information shall be referred to the purchasing activity and treated as confidential working papers until after award at which time all bids become public information. The award is to be made in accordance with RCW [43.19.1911](#).

Note: Procurements in excess of the formal sealed bid threshold (currently \$50,000 for goods and services under RCW [43.19](#)) should not restrict competition. However, with two-tier procurements, the second tier competition may be limited to a prequalified Bidder pool established as a result of a formal sealed competition.

Funded

Funded with dollars, which are: (1) appropriated by the Washington State Legislature and/or (2) allotted by a state agency.

Goods and/or Services

Source: [WAC 236-48-003\(17\)](#)

Material, supplies, services, and equipment offered for sale by a supplier(s) and required by an agency to accomplish continuing and necessary functions and not otherwise statutorily exempted from RCW [43.19](#).

Informal Bid/Proposal

Source: [NIGP](#)

A competitive bid, price quotation or proposal for supplies or services that is conveyed by a letter, fax, e-mail or other manner that does not require a formal sealed bid or proposal, public opening or other formalities. Generally relegated to requirements that may be considered low value or fall under a stipulated price/cost threshold.

Informality

Source: [WAC 236-48-003\(18\)](#)

An immaterial variation from the exact requirements of the competitive solicitation, having no effect or merely a minor or negligible effect on quality, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial to bidders.

Inspection

An examination of delivered material, supplies, services, and/or equipment prior to acceptance aimed at forming a judgment as to whether such delivered items are what was ordered, were properly delivered and ready for acceptance. Inspection may include a high level visual examination or a more thorough detailed examination as is customary to the type of purchase, as set forth in the solicitation document and/or as agreed between the parties. Inspection must be acknowledged by an authorized signature of the purchaser.

Invitation for Bid (IFB)

Source: [WAC 236-48-003\(19\)](#)

The form utilized to solicit bids in the formal, sealed bid procedure and any amendments thereto issued in writing by the purchasing activity. Factors impacting cost and conditions of responsiveness and responsibility are normally evaluated. Non-cost factors may be evaluated and all factors may be weighted if considered appropriate.

Late Bids or Quotations

A bid or proposal received at the place specified in the solicitation after the time designated for all bids or quotations to be received. (See WAC [236-48-012](#)).

| | |
|---|---|
| Lead Time/After Receipt of Order (ARO) | The period of time between when the contractor receives the order and the purchaser receives the materials, supplies, equipment, or services ordered. |
| Limited Purchase Authority | The authority delegated by OSP to a specific agency for a one-time purchase. (See Limited and Specific Purchase). |
| Materials Management Center(s) | The organization within DES authorized under RCW 43.19 to provide services in contracting, storage solutions, transportation, and the disposal of Surplus Property to state agencies, local governments, and qualifying nonprofit organizations. |
| Original Equipment Manufacturer (OEM) <small>Source: NIGP</small> | A supply management term for the purchase of parts and material directly from the manufacturer of the equipment or from an authorized reseller. For example, Ford automotive replacement parts would be purchased from an authorized Ford reseller. |
| Office of State Procurement (OSP) <small>Source: WAC 236-48-003(20)</small> | The division of state procurement of DES. Whenever a purchase or sale is made by the on behalf of another agency, the Office of State Procurement is acting in the capacity of agent for such agency. |
| Order Document | A written communication on a state form, submitted by a Purchaser to the Contractor, which details the specific transactional elements required by the Purchaser such as delivery date, size, color, capacity, etc. An Order Document may include, but is not limited to Field Orders, Purchase Orders, Work Order or other writings as may be designated by the parties hereto. No additional or alternate terms and conditions from the vendor shall apply unless authorized by the Contract and expressly agreed between the Purchasing Activity and the Contractor. |
| Performance-Based Contract <small>Source: SAAM 15.10.15</small> | A written document detailing an agreement between parties and identifying expected deliverables, performance measures or outcomes with payment contingent on their successful delivery. Performance-based contracts also use appropriate techniques, which may include, but are not limited to, consequences and/or incentives to ensure that agreed upon value to the state is received. |
| Performance Specification <small>Source: NIGP</small> | A description of a product or service that provides a general functional recital of performance characteristics required to achieve an end result or outcome desired. |
| Personal Service <small>Source: RCW 39.29.006(8)</small> | Professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement. |
| Procurement Coordinator | The individual responsible for conducting a specific Solicitation. |

Prompt Payment Discount

Source: [WAC 236-48-003\(21\)](#)

A discount offered by the Bidder to encourage timely payment by purchaser within the stated term identified by bidder.

Proposal

Source: [WAC 236-48-003\(22\)](#)

An offer to perform a contract to supply goods or services in response to a request for proposal.

Public Agency

Source: [WAC 236-48-003\(23\)](#)

Shall include all agencies outlined under RCW [39.34.020](#).

Purchase

Source: [WAC 236-48-003\(24\)](#)

Shall include purchase, lease, renting or lease-purchase of goods and services.

Purchase File

A file for each solicitation prepared and maintained by the Purchasing Activity that includes relevant information relating to compliance of all purchasing laws, rules, polices, and trade agreements.

Purchase Order (PO)

Source: WAC [234.49.010](#) (4)

A standard state form used by the office of state procurement and institutions of higher education and signed by an authorized official of the purchasing activity which notifies the contractor to provide the stated material, equipment, supplies, or services under the terms and conditions set forth thereon or as outlined in the contract. Acceptance of the purchase order by the vendor constitutes a contract.

Purchased Service

Source: RCW [39.29.006\(10\)](#)

Services provided by a vendor to accomplish routine, continuing and necessary functions. This term includes, but is not limited to, services acquired under RCW [43.19.190](#) or RCW [43.105.041](#) for equipment maintenance and repair; operation of a physical plant; security; computer hardware and software maintenance; data entry; key punch services; and computer time-sharing, contract programming, and analysis.

Purchaser

The authorized user of a [State Contract](#) who may or actually does make purchases of material, supplies, services, and/or equipment under the State Contract.

Purchasing Activity

Source: [WAC 236-48-003\(25\)](#)

1. The Office of State Procurement or an agency authorized by statute to conduct acquisition of goods and services or delegated that authority.
2. A purchasing unit within an authorized agency that buys for an identifiable program, region, or division.

Purchasing Cooperative

An entity formed to engage in [Cooperative Purchasing](#). The State Purchasing Cooperative is a purchasing cooperative established by the Office of State Procurement composed of state agencies, political subdivisions and authorized private nonprofit entities.

Quotation

Source: [WAC 236-48-003\(26\)](#)

An offer to perform a contract to supply goods and/or services in response to a request for quotation.

Recovered (Recycled) Material

Source: [WAC 236-48-003\(27\)](#)

Goods containing recycled materials as defined in RCW [43.19.538](#) and federal, regional, or guidelines approved by the director.

Waste materials and by-products that have been recovered or diverted from solid waste and that can be utilized in place of a raw or virgin material in manufacturing a product and consists of materials derived from post-consumer waste, manufacturing waste, industrial scrap, agricultural wastes and other items, all of which can be used in the manufacture of new or recycled products.

Request for Proposal (RFP)

Source: [WAC 236-48-003\(29\)](#)

The form utilized to solicit written proposals from potential suppliers. Both cost and non-cost factors are evaluated in addition to conditions of responsiveness and responsibility to achieve best value. A weighted point assignment method of evaluation may be used if considered appropriate.

Note: The specifications and qualification requirements are written in an outcome based form allowing for consideration of a broad range of different solutions to meet the procurement need.

Request for Quotation (RFQ)

Source: [WAC 236-48-003\(28\)](#)

1) The form used to solicit written quotations in accordance with RCW [43.19.1906\(2\)](#). The request and the quote in response may be either written or oral as specified by the purchasing activity. Factors impacting cost and conditions of responsiveness and responsibility are normally evaluated. Non-cost factors may be evaluated and all factors may be weighted if considered appropriate.

2) The required use form generally used for seeking competition on smaller purchases or on purchases lower than the amount that requires competitive sealed bidding.

Requisition (Form A15-A)

Source: [WAC 236-48-003\(30\)](#)

1) A standard state form which serves as a procurement request and which requests the Office of State Procurement to purchase stated requirements.
2) Used by state agencies when goods or services are not available on a [State Contract](#).

Responsible Bidder

Source: RCW [43.19.1911](#) (9)

An entity that has the capability in all respects to perform in full the contract requirements and meets the elements of responsibility.

Responsive Bidder

An entity whose bid conforms in all material respects to the terms and conditions, the specifications, and other requirements of a solicitation.

Revised Code of Washington (RCW)

Laws of the State of Washington codified in statute.

RoHS Compliant Electronic Product

RoHS compliant electronic product means the following products defined under [RCW 70.95N.020 \(6\)](#) that meets the requirements of the RoHS Directive:

- A cathode ray tube or flat screen television having a viewable area

greater than four inches when measured diagonally

| | |
|---|---|
| Sealed Bid | A formal submission from a Bidder submitted in response to a solicitation. It is submitted in a sealed manner to prevent its contents from being revealed before the time and date set for the bid opening. |
| Sealed Bid Limit Source: WAC 236-48-003(31) | That dollar amount established by RCW 43.19.1906(2) or subsequently amended by the Office of Financial Management due to inflationary trends above which the formal sealed bid procedure will be used. |
| Segmenting | The separation of a requirement or project into smaller parts to avoid dollar limitations or competition. (See No Splitting or Segmenting) |
| Single Source Purchase Source: RCW 43.19.1906(3) & WAC 236-48-003(32) | An exception to competitive bidding. A purchase of goods or services which is clearly and legitimately limited to a single source of supply in which the purchase price may be best established by direct negotiation. (See Sole Source). |
| Sole Source | A commonly used term for Single Source Purchase. (See Sole Source Purchasing). |
| Solicitation Source: WAC 236-48-003(33) | The process of notifying prospective bidders or offerors that the purchasing activity desires to receive competitive bids, quotes, or proposals for furnishing goods or services. Also includes reference to the actual document used in that process. |
| Special Facilities, Services, or Market Conditions Source: RCW 43.19.1906(3) | Exceptions to competitive bidding in which the purchase price may be best established by direct negotiation; (See also Sole Source Purchasing). |
| Specific Purchase Authority | The on-going authority delegated by OSP to specific agencies for purchasing of specific commodities or items. (See Limited and Specific Purchase). |
| Specifications Source: WAC 236-48-003(34) | The explicit requirements furnished with a competitive solicitation upon which a purchase order or contract is to be based. Specifications set forth the characteristics of the goods and/or services to be purchased or sold so as to enable the Bidder or supplier to determine and understand requirements of the purchaser. Specifications may be in the form of a description of the physical or performance characteristics, a reference brand or both. It may include a description of any requirement for inspecting, testing, or preparing a material, equipment, supplies, or service for delivery. |
| Splitting | The separation of continuing/repetitive requirements for the same good or service into several purchases to avoid dollar limitations or competition. (See No Splitting or Segmenting). |
| State Contract Source: WAC 236-48-003(35) | Contracts for goods and/or services administered by the Office of State |

Procurement on behalf of agencies which normally include quantity and fixed term. The contract document will identify the conditions under which usage by agencies is required. Note: “State Contract” does not include the following:

- Purchases made by colleges and universities that choose to purchase under [RCW 28B.10.029](#).
- Purchases made in accordance with Lowest Cost Purchase Authority/[Best Buy](#) of a State Contract.
- Purchases made pursuant to authority granted or delegated under RCW [43.19.190](#) (2) or (3).
- Purchases authorized as an emergency purchase under RCW [43.19.200](#) (2).
- Purchases made pursuant to other statutes granting an [Agency](#) authority to independently conduct purchases of materials, supplies, services, or equipment.

State Procurement Officer (SPO)

Source: [WAC 236-48-003](#)(36)

An employee of the Office of State Procurement designated as a state procurement officer, contract administrator, or similar designation by the director, including, where appropriate, the director and other management personnel.

Subcontractor

A person or business that is, or will be, providing or performing an essential aspect of a [contract](#) under the direction and responsibility of the [Contractor](#) and with the agreement of the [Purchasing Activity](#).

Supplier

Source: [WAC 236-48-003](#)(36)

A vendor of purchased goods and services. (See [Contractor](#)).

Supplier List

Source: [WAC 236-48-003](#)(38)

List of potential bidders maintained by the office of state procurement or purchasing activity from which names may be drawn for solicitation of bids, quotes or proposals.

Surplus Property

Source: RCW [43.19.1919](#)

Personal property belonging to the state for which the agency, office, department, or educational institution having custody thereof has no further use.

Two Tier Contract

A procurement technique that streamlines the award of frequently solicited service related contracts in which the first tier competition establishes a prequalified Bidder pool who agree to a common set of contract terms and conditions. The second tier occurs once a contracting opportunity presents itself and prequalified bidders are invited to submit an offer that is unique to that contracting opportunity.

Unlimited Purchase Authority

Purchase authority that is delegated without a dollar limitation. All other requirements of the WPM must be met.

Used equipment

Source: [WAC 236-48-003](#)(39)

Goods offered for sale to the state which do not have a full factory warranty and which are not being rented, leased, or otherwise in the actual possession of the state agency considering the purchase at the time of the purchase transaction.

Vendor

A provider of materials, supplies, services, and/or equipment.

(See [Supplier](#) and/or [Contractor](#)).

**Washington
Administrative Code
(WAC)**

Regulations drafted and published pursuant to an agency's statutory authority.

**Washington's
Electronic Business
Solution
(WEBS)**

An online system providing vendor registration and notification activities. These activities include electronic request for quotations, invitation for bids, requests for proposals, purchase orders, contracts, invoices or other electronic procurement information, instruments and notices electronically transmitted, received, or posted using [WEBS](#) in lieu of or in addition to creating one or more paper documents. (See RCW [43.19.1908](#)—Vendor Registration and Bid Notification System).

**World Trade
Organization
(WTO)**

The [World Trade Organization](#) is a global international organization dealing with the rules of trade between nations. The goal of the WTO is to help producers of goods and services, exporters, and importers conduct their business.

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15. Purchasing Decision Tree

