Washington State
DEPARTMENT OF ENTERPRISE SERVICES

Procurement Risk Assessment

Enterprise Procurement Policy Workshop

Contracts & Procurement Division

APRIL 4, 2024

TODAY'S AGENDA

Time	Topic
8:00-9:00 AM	Sole Source
9:15-9:45 AM	PCBs
10:00-10:30 AM	Convenience Contracts
10:45-11:45 AM	Procurement Risk Assessment

Sole Source

Procurement Risk Assessment

Workshop Topics

PCBs

Convenience Contracts

HOUSEKEEPING

- Please use the chat for questions

- Q&A at the end of the presentation

- Workshop is being recorded

- Recording, transcript, and slides will be posted to the DES website

PROCUREMENT RISK ASSESSMENT WORKSHOP AGENDA

Procurement Risk Assessment

- 10:45 am – 11:45 am

Topic	Time
Background & Goals	10:45-10:50 AM
New process elements	10:50-11:05 AM
Timeline	11:05-11:15 AM
Targeted discussion	11:15- 11:35 AM
Next Steps & Other Policy Projects	11:35- 11:45 AM

WHAT IS THE PROCUREMENT RISK ASSESSMENT?

Procurement Risk Assessment

- Required by statute

- Applies to state agencies (not higher education)

- Results of the risk assessment are used for setting delegated authority limits

- Assessments conducted in 2014, 2016, and 2019

GOALS: CUSTOMER SATISFACTION

Customer Satisfaction

GOAL: COMMUNICATION

Customer Satisfaction

Communication

GOAL: EFFICIENCY

Customer Satisfaction

Communication

Efficiency
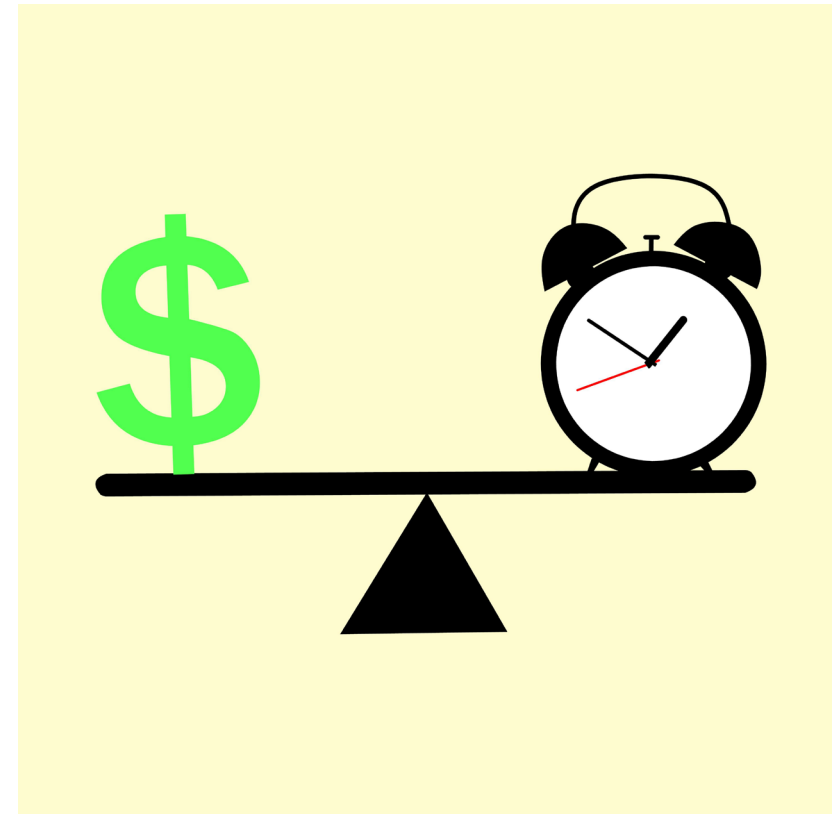
OVERVIEW OF NEW PROCESS

- **Phase 1** – Implementation

- **Phase 2** – Risk Assessment

  - Policy Compliance Focus

  - Contract Audits

  - Assess Substantial Compliance

SCOPE OF THE 2024 RISK ASSESSMENT

Procurement Risk Assessment

In Scope ✓

- Procurements for goods and services governed by RCW 39.26

- Contract Audits performed by DES

- Reports from WEBS, Training, and Agency Contract Report
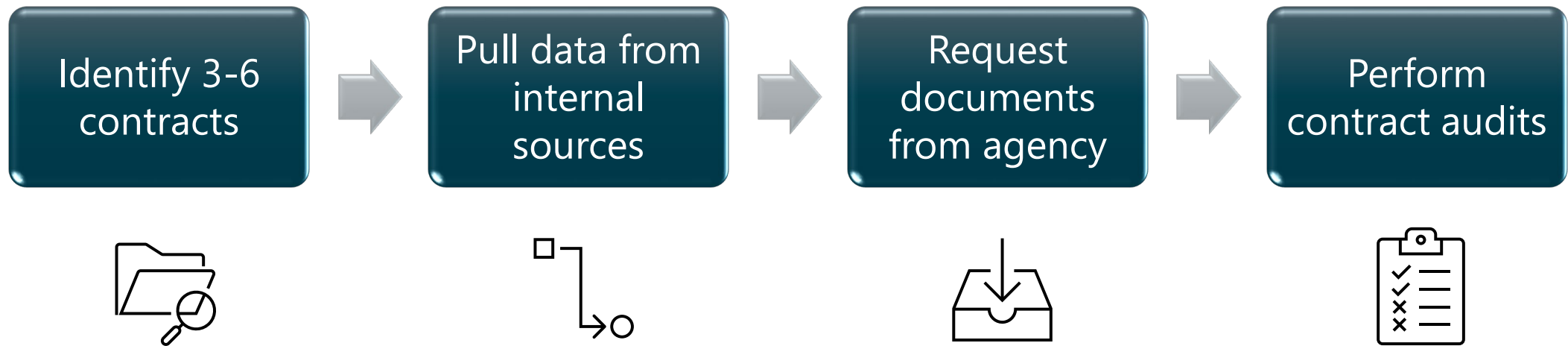
Not in Scope 🚫

- Agency's budget and financial processes

- OMWBE inclusion plans

- Institutions of higher education

- Judicial branch agencies
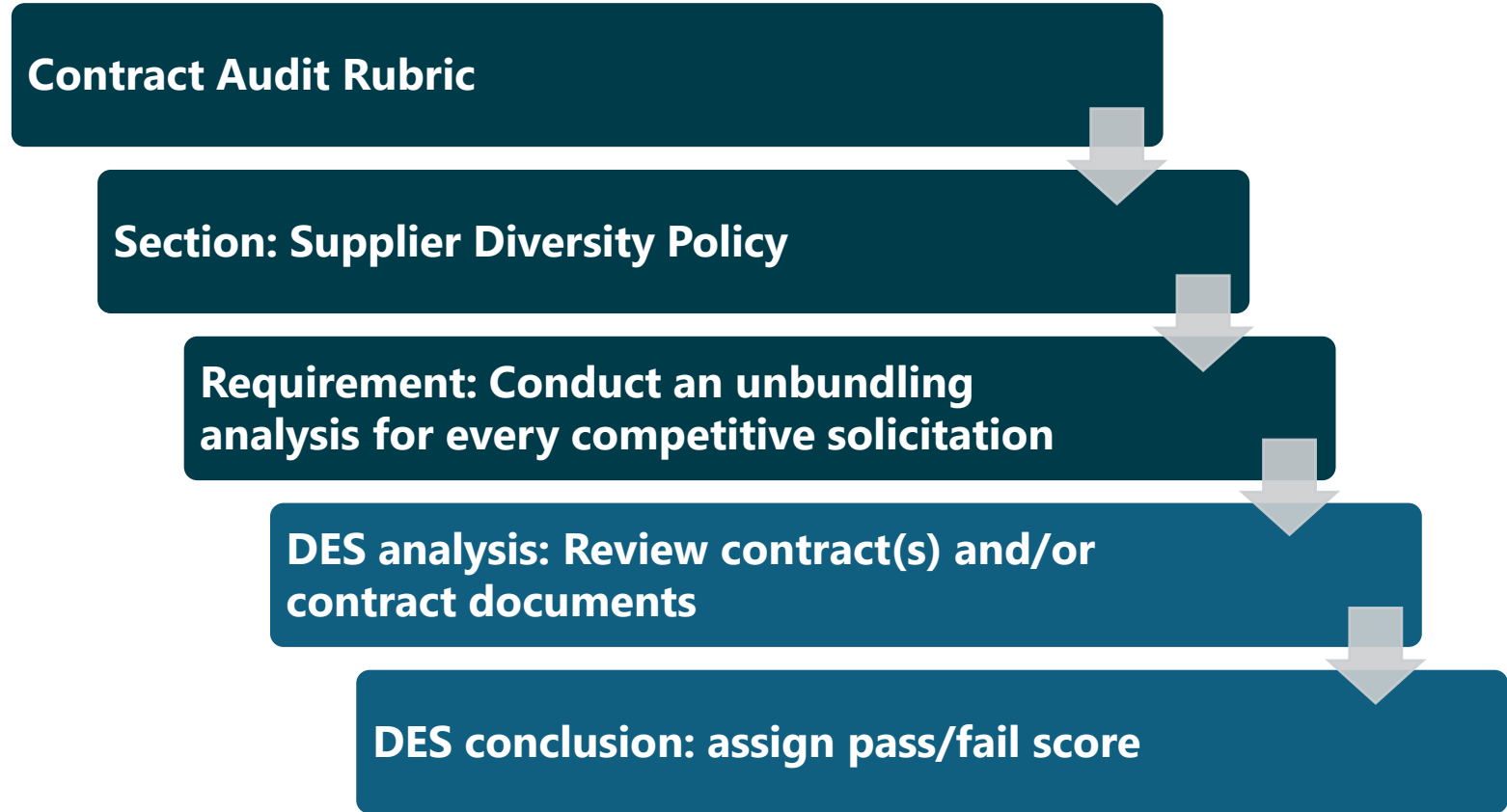
OVERVIEW OF PHASE 2

Procurement Risk Assessment

Phase 2 – Contract Audit preparation:

Identify 3-6 contracts → Pull data from internal sources → Request documents from agency → Perform contract audits

OVERVIEW OF PHASE 2 (CONT.)

Procurement Risk Assessment

Phase 2 –
Example contract
Audit process:

Contract Audit Rubric

Section: Supplier Diversity Policy

Requirement: Conduct an unbundling analysis for every competitive solicitation

DES analysis: Review contract(s) and/or contract documents

DES conclusion: assign pass/fail score

CONTRACT AUDIT RUBRIC

Procurement Risk Assessment

Phase 2 – Example contract audit rubric, unbundling analysis:

Services procurements contract audit rubric					Contract #:	
	Policy Area	Requirement	Reviewer Instructions	Score	Reviewer Notes	
	Supplier Diversity	Conduct an unbundling analysis for every competitive solicitation (section C3)	Review contract file for evidence of unbundling analysis; Pass (1)/Fail (0)			

POLICY SCORE SHEET

Procurement Risk Assessment

- Assign "pass/fail" for meeting the thresholds for each policy.

- The number of "pass/fail" will identify the delegated authority analysis results.

DES Washington State **DEPARTMENT OF ENTERPRISE SERVICES**

Policy Scores

Procurement Policy	Score**	Passing Score	Pass/Fail
DES-POL-090-06 Supplier Diversity			
DES-090-00 – Delegation of Authority			
DES-210-01 – Agency Contract Reporting			
DES-170-00 – Complaints and Protests			
DES-140-00 – Sole Source Contracts			
DES-130-00 – Emergency Procurements/Purchases			
DES-125-03 – Direct Buy Procurements/Purchases			
DES-EO 18-03 - Supporting Workers' Rights to Effectively Address Workplace Violations			
DES-POL-DES-080-02 Contract Management			
DES-190-00 - Using Goods and Services Procurement Bonds			
DES-090-09 - Purchases of Washington Grown Food			

DELEGATED AUTHORITY

Procurement Risk Assessment

Phase 2 – draft delegated authority analysis:

| Policies in Compliance	DES Analysis	Risk Rating	Delegated Authority Change
All 16	Model Agency	Low	Consider increase, if requested
14-15	Indicate areas for improvement	Medium-Low	Consider increase, if requested
11-13	Indicate areas for improvement	Medium-High	No change
8-10	Indicate areas for improvement	High	No change or decrease delegated authority
7 or less	Require quarterly meetings	High-Suspended	Decrease or suspend delegated authority

OVERVIEW OF NEW PROCESS (CONT.)

Procurement Risk Assessment

- **Phase 3** – Follow-up

- **Phase 4** – Check, Act, Plan

TARGETED DISCUSSION

Procurement Risk Assessment
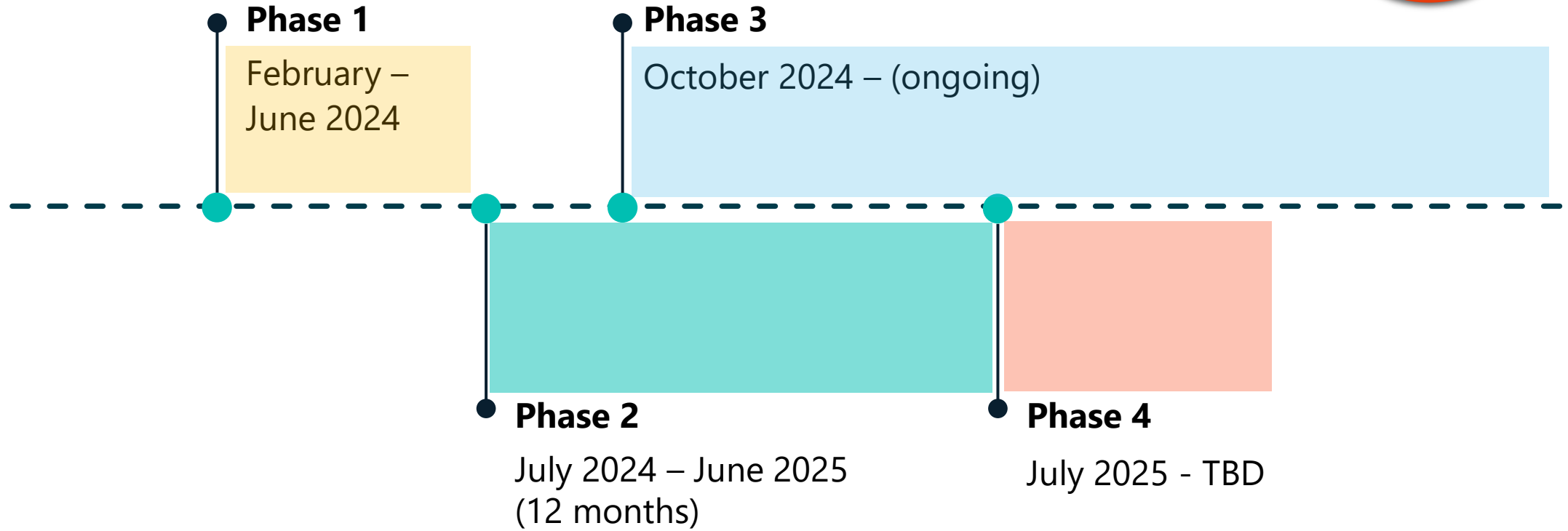
1. **For all**: Based on what we've shared, do you understand the new PRA approach? If not, what is unclear?

2. **For State Agencies**: When we begin the contract audits, what would be the best way to obtain the contract documents that are not available in WEBS, such as bid tabulations contract award documentation, agency website postings, internal procedures, etc.?

NEXT STEPS

Procurement Risk Assessment

- Feedback due **April 18, 2024**

  - Submit feedback: Feedback Form

- DES next steps:

  - Compile feedback & incorporate revisions into the final 2024 PRA process

 - Complete and share Contract Audit Rubric

OTHER POLICY PROJECTS

SUPPLIER DIVERSITY POLICY – HANDBOOK REVISIONS

- The team has proposed one policy change and over 50 revisions to the Handbook, including:

    - New FAQs

    - Clarifications to procedure and glossary

- Currently pending management review and approval

- Upcoming lunch-and-learn and Supplier Diversity Community of Practice meeting to share the approved revisions (date TBA)

- Target completion date: **April 2024**

CURRENT POLICY PROJECTS
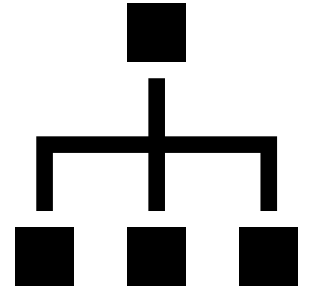
- **Washington Grown Food** - refresh

- **Executive Order 18-03** - refresh

- **Delegation of Authority** – refresh

- **Emergency Purchases** – revisions due to law change

- **Direct Buy Purchases Policy** – refresh upcoming

Enterprise procurement policy status report

> ➢ Updated monthly

ENTERPRISE PROCUREMENT POLICY TEAM

EPP STAFF	EMAIL	PHONE
Drew Zavatsky Risk Assessment Administrator	**Drew.Zavatsky@des.wa.gov**	**(360) 701-6388**
Olu Agbaje Policy and Protest Administrator	**Olu.Agbaje@des.wa.gov**	**(360) 763-2235**
David Jorgensen Policy and Protest Administrator	**David.Jorgensen@des.wa.gov**	**(360) 706-3673**
Brooke Jensen Sole Source Administrator	**Brooke.Jensen@des.wa.gov**	**(360) 790-8256**
Zoë Mroz Management Analyst	**Zoe.Mroz@des.wa.gov**	**(360) 764-6084**
Christine Warnock Enterprise Procurement Policy Manager	**Christine.Warnock@des.wa.gov**	**(360) 951-8331**

THANK YOU

DESmiEnterpriseProcurementPolicy@des.wa.gov

Feedback Link

Current Enterprise Procurement Policies (des.wa.gov)