



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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June 15, 2007

OFM DIRECTIVE 07A-03

TO: Agency Directors and Policy Manual Users

FROM: /s/ Sadie Rodriguez-Hawkins, Senior Assistant Director
Accounting Division

**SUBJECT: REVISIONS TO CHAPTERS 15 AND 16 – PERSONAL SERVICE
AND CLIENT SERVICE CONTRACTS**

We have revised Chapters 15 and 16 of the *State Administrative & Accounting Manual (SAAM)*, effective July 1, 2007. Please replace both chapters in your policy manual.

CHAPTER 15: PERSONAL SERVICE CONTRACTS (<http://www.ofm.wa.gov/policy/15.htm>)

Sections 15.10, 15.20, 15.30 and 15.40 replace the *Guide to Personal Service Contracting* effective July 1, 2007.

1. Establishes that Sections 15.10, 15.20, 15.30, and 15.40 are the uniform guidelines for personal services required by RCW 39.29.100.
2. Key changes to Sections 15.10, 15.20, and 15.30 include the following:
 - Added definitions for contract management, contract manager, contract monitoring, filing, firm, and proposal.
 - Clarified exemptions for contracts less than \$5,000, collaborative research, client services, and interpreter services.
 - Added information regarding the Office of Minority and Women's Business Enterprises.
 - Clarified information on required personal service contract training.
 - Clarified that risk-based audits are conducted on the personal service policies, rather than the *Guide to Personal Service Contracting*, as the policies are the "uniform contract guidelines."
 - Added new subsection on standards of ethics and conduct.
 - Added new subsection and further explanation on existing subsections regarding competitive procurement requirements both for informal competition and formal competition.
 - Added new subsection on requirements for executive cabinet agencies related to international trade agreements.
 - Clarified availability of master personal service contracts from the Department of General Administration, Department of Personnel, and the Department of Information Services and added new sections defining minimum second-tier competitive requirements under master contracts.

- Added clarification on exceptions to competitive procurement requirements.
 - Added clarification on advertising sole source contracts.
 - Added clarification on filing and reporting requirements throughout Section 15.30.
 - Supplements definitions for management consulting services, organizational development, and employee training.
3. Section 15.40 is an entirely new policy on personal service contract award, management and monitoring. Content is primarily from the *Guide to Personal Service Contracting*, which is superseded by the personal service contract policies effective July 1, 2007.

CHAPTER 16: CLIENT SERVICE CONTRACTS (<http://www.ofm.wa.gov/policy/16.htm>)

Sections 16.10 and 16.20 replace the *Guide to Client Service Contracting* effective July 1, 2007.

1. Establishes that Sections 16.10 and 16.20 are the uniform guidelines for client services required by RCW 39.29.100.
2. Key changes to Section 16.10 include the following:
 - Added definitions to include terms related to new Section 16.20 on contract award, management and monitoring.
 - Clarified the term “client.”
 - Clarified procurement of client service contracts.
 - Clarified screening contractor qualifications.
 - Clarified information on required client service contract training.
 - Clarified annual contract procedures report.
 - Clarified that risk-based audits are conducted on the client service policies, rather than the *Guide to Client Service Contracting*.
 - Revised subsection on audit and investigative findings.
 - Added new subsection on standards of ethics and conduct.
3. Section 16.20 is an entirely new policy on client service contract award, management and monitoring. Content is primarily from the *Guide to Client Service Contracting*, which is superseded by the client service contract policies effective July 1, 2007.

Questions regarding policy content and proper interpretation of the contract policies in Chapters 15 and 16 should be directed to the following OFM Contract Staff:

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The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

We encourage you to use the online version of SAAM. All OFM directives, policies, technical corrections, and superseded policies are available at: <http://www.ofm.wa.gov/policy/default.asp>.

Additional resources are also available on our Administrative and Accounting Resources website at: <http://www.ofm.wa.gov/resources/default.asp>.

Unless noted otherwise, questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency. You can find your agency's OFM Accounting Consultant at: <http://www.ofm.wa.gov/accounting/swa/swacontacts.asp>.

Attachments