



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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July 16, 2009

OFM DIRECTIVE 09A-07

TO: Agency Directors and Policy Manual Users

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

SUBJECT: Chapter 15 – Personal Service Contracts; Chapter 16 – Client Service Contracts; and Chapter 75 – Uniform Chart of Accounts

Effective July 26, 2009, we have revised **Chapters 15 and 16** of the *State Administrative and Accounting Manual (SAAM)*, to reflect the requirements of Substitute Senate Bill 5723.

Key changes to the policies include:

Chapter 15: Personal Service Contracts (<http://www.ofm.wa.gov/policy/15.htm>)
(Sections 15.10, 15.20, 15.30, and 15.40)

- Revises definition for contract manager; adds definition for proposer.
- Clarifies exemptions for contracts less than \$5,000 and expert witness services. Adds that under collaborative research exemption documentation must be retained for firms/individuals named in the grant application.
- Clarifies information on staff who manage personal service contracts.
- Clarifies cost is required as an evaluation factor for personal services to award a contract.
- Adds requirements related to use of a Request for Qualifications process.
- Adds table showing mandatory evaluation criteria for a Request for Proposals and for a Request for Qualifications and Quotations. Clarified evaluation process when only one responsive proposal is received.
- Adds that when a contract is filed and a protest occurs OFM is to be notified.
- Revises Department of Personnel's second-tier process under their master personal service contracts.
- Adds that posting on WEBS is required for competition of \$5,000 or more.
- Adds that posting on WEBS is required for sole source contracts of \$5,000 or more and documentation for posting required. Reiterated that advertising is still required for sole source contracts of \$20,000 or more.
- Clarifies that the maximum compensation must include costs for contractor expenses.

- Adds that services and expenses charged to a contract must be within the period of performance.
- Adds that contracts paid by a third party (not by the awarding state agency) must still include a contract maximum.
- Adds that sole source contract documentation must include reference to posting on WEBS and advertising when applicable.

Chapter 16: Client Service Contracts (<http://www.ofm.wa.gov/policy/16.htm>)
(Sections 16.10 and 16.20)

- Clarifies definition for contract manager.
- Adds that client services are not applicable when services are provided by the agency or institution of higher education rather than being purchased by them.
- Clarifies that contracts or amendments are not to be executed unless funding is available.

In addition, technical changes have been made to the descriptions of certain subobject codes (CA, CC, CE, CF, CG, CH, CJ, CZ, EG, EJ, and JR) in **Chapter 75, Uniform Chart of Accounts, Subsection 75.70.20** (<http://www.ofm.wa.gov/policy/75.70.htm#75.70.20>). This subsection retains a July 1, 2009, effective date.

In effort to conserve resources and save paper, OFM is no longer providing paper copies. If you are maintaining a hardcopy manual, a link to the replacement pages is available on OFM's website at: <http://www.ofm.wa.gov/policy/replacement-pages.asp>.

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>.

Questions regarding these revisions 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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