



## 15.00

### Personal Service Contract Restrictions

*On February 15, 2010, the Governor signed Engrossed Substitute House Bill 2921. This bill restricts personal service contracts effective March 17, 2010 through June 30, 2011.*

#### 15.00.05

March 17, 2010

#### Who must comply with these contract restrictions?

All executive, legislative, or judicial branch agencies must comply with the policies in this section.

#### 15.00.10

March 17, 2010

#### Personal service contracts restricted

Agencies shall not enter into any contract or other agreement for the acquisition of personal services that is not related to an emergency or other catastrophic event that requires government action to protect life or public safety. Exceptions may be granted as set forth in Subsection 15.00.20.

The personal service contracts restriction does not apply to contracts:

- related to an emergency or other catastrophic event that requires government action to protect life or public safety (Note: This definition of emergency is more limited than the definition used in RCW 39.29.006(5) and Subsection 15.30.40.);
- funded exclusively from private or federal grants;
- related to tax and fee collection, revenue generation, and audit activities;
- for the review and research conducted by the Joint Transportation Committee pursuant to RCW 44.04.300;
- necessary to receive or maintain federal funds by the state;
- for institutions of higher education, not funded from state funds or tuition;
- related to hearing officers;
- related to real estate appraisals or habitat assessments;
- related to carrying out a court order;
- for information technology contracts related to the Information Services Board approved information technology project;
- related to Judicial Information System technology projects; or
- for agricultural commodity commissions and boards, and agricultural inspection programs operated by the Department of Agriculture.

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**15.00.20**

March 17, 2010

**Exceptions to restrictions**

Exceptions to the personal service contract restrictions may be granted for **critically necessary work** subject to the following approvals:

- For executive branch agencies, the Director of the Office of Financial Management (OFM) or designee;
- For judicial branch agencies, the Chief Justice of the Supreme Court; and
- For legislative agencies, the Chief Clerk of the House of Representatives and/or the Secretary of the Senate.

Approved exceptions to the personal service contract restrictions shall take effect five business days following notification of the appropriate legislative committees, and shall be sent to the legislature for consideration every thirty days or earlier should volume or circumstances so necessitate.

Exceptions will be published electronically by the Office of Financial Management on the state fiscal website at: [www.fiscal.wa.gov](http://www.fiscal.wa.gov).

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**15.00.30**

March 17, 2010

**Filing contracts and requesting an exception for personal service contracts**

**Filing.** Filing of competitive, sole source and emergency contracts continues to be required per Section 15.30. Now, however, each filing must also include, as part of its justification, thorough explanation about how the contract or amendment fits one of the exemption categories in Subsection 15.00.10.

If the contract or amendment does not fit one of the exemption categories but the agency determines the services are “critically necessary,” the agency must request an exception as part of the filing justification. The additional steps added to the filing process are as follows:

1. Request an exception as part of the filing justification. The request must clearly and thoroughly explain why the services are “critically necessary.” Request a critically necessary work exception by completing the [Personal Service Contract Freeze Exemption Request Form](#).
2. The OFM Director or designee reviews and approves or disapproves the agency’s request for an exception.

3. If approved, OFM provides notification to the appropriate legislative committees and to the agency or institution of higher education.
4. If disapproved, OFM provides notification to the agency or institution of higher education.

**Start date.** If a request for exception for a contract is approved by OFM, the exception is effective five business days following notification by the approver to the chair and ranking minority member of the ways and means committees in the House of Representatives and the Senate. OFM will change the start date on any filing submitted with an exception request that is approved by the OFM Director or designee to the new effective date or as applicable if the filing date is after the OFM approval date. Agencies will receive notification through the Personal Service Contract Database (PSCD) when OFM processes the filing.

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**15.00.40**  
March 17, 2010

**Additional requirements for contracts not normally subject to filing with OFM**

15.00.40.a

Through June 30, 2011, additional requirements apply to the following types of contracts/amendments that have been exempt from OFM oversight:

- Personal service contracts under \$5,000;
- Personal service contracts that have traditionally been reported to OFM, such as competitive contracts \$5,000 to \$19,999;
- Second-tier work requests under master contracts;
- For **institutions of higher education**, the following additional categories subject to reporting apply when any state funds or tuition are used to fund the contracted work:
  - Competitive personal service contracts and amendments in the amount of \$20,000 or more, which are funded by dollars other than state funds, or that include less than \$20,000 in state funds.
  - Sole source contracts and amendments in the amount of \$5,000 or more, which are funded by dollars other than state funds, or that include less than \$5,000 in state funds.
  - Emergency contracts of \$5,000 or more, which are funded by dollars other than state funds, or that include less than \$5,000 in state funds.

15.00.40.b      **Requirements when restrictions not applicable.** If a contract/ amendment listed in Subsection 15.00.40.a clearly falls into one of the exemption categories listed in Subsection 15.00.10, the agency must document in the file which category applies and include any relevant explanation. No further action is required, unless the contract is subject to reporting to OFM. Reporting should be done, as usual, through PSCD.

15.00.40.c      **Requirements when requesting an exception from OFM.** If the contract/ amendment listed in Subsection 15.00.40.a does not fall into one of the exemption categories listed in Subsection 15.00.10, the following process applies:

- Request a critically necessary work exception by completing the [Personal Service Contract Freeze Exemption Request Form](#) with complete and thorough information.
- Email the form to [ofm.contracting@ofm.wa.gov](mailto:ofm.contracting@ofm.wa.gov).
- The OFM Director or designee reviews and approves or disapproves the exception request.
- If approved, OFM will notify the appropriate legislative committees. The form will be returned to the requesting agency as approved with the appropriate start date of the contract. The start date will be no earlier than five business days following notification by the approver to the chair and ranking minority member of the ways and means committees in the House of Representatives and the Senate.
- If disapproved, OFM provides notification to the agency or institution of higher education and the form is returned as denied.
- Report as usual through PSCD, if required.