



15.30 Personal Service Contracts — Filing, Record Keeping, and Reporting

15.30.10

July 1, 2007

Purpose of this policy

This policy serves as the basis for filing, record keeping, and reporting of personal service contracts.

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Personal service contract filing requirements

15.30.15.a

Filing Categories

Many, but not all, personal service contracts and amendments are subject to filing with OFM. Refer to Subsection 15.30.75 for tables that display filing requirements for state agencies and for institutions of higher education. Subsections 15.30.25 through 15.30.40 explain the specific filing requirements for each type of contract filing category.

The term “agency” is used in Section 15.30 to include all units and divisions within an agency as well as institutions of higher education, except where the term “institutions of higher education” is specifically referenced related to requirements.

15.30.15.b

Filing Periods

Three different filing periods apply to the various contracts and amendments subject to filing. These timeframes should be known in advance and included in the contract project schedule. The filing period for contracts varies by filing category, as shown in the tables below:

STATE AGENCIES (exclusive of Institutions of Higher Education)	
Filing Period	Filing Category
Contract is filed with OFM no later than the start date of services.	<ul style="list-style-type: none"> • Competitively solicited contracts of \$20,000 or more, and their amendments, for services that do not fit the six categories listed in the first bullet in the box below. Also, amendments to these contracts that do not exceed 50% of the original contract amount or do not substantially change the scope of work.
Contract is filed with OFM a minimum of ten working days prior to the proposed start date of services.	<ul style="list-style-type: none"> • Competitive contracts of \$20,000 or more, and their amendments, for the following categories: <ul style="list-style-type: none"> o Management Consulting (CA), o Organizational Development (CA), o Marketing (CG), o Communications (CH), o Employee Training (CJ), and o Employee Recruiting (CK). • Amendments to sole source or competitive contracts that result in the contract being greater than 50% of the original contract value, when those contracts, as amended, are in the amount of \$5,000 or more. • Amendments to sole source or competitive contracts that constitute a substantial change in the scope of work, when those contracts, as amended, are in the amount of \$5,000 or more. • All sole source contracts of \$5,000 or more and their amendments.
Contract is filed with OFM within three working days of start of services or contract execution, whichever is sooner.	<ul style="list-style-type: none"> • Emergency contracts of \$5,000 or more and their amendments. • Amendments awarded solely for the purpose of decreasing the total dollar amount of the contract.

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INSTITUTIONS OF HIGHER EDUCATION ONLY	
Filing Period	Filing Category
Contract is filed with OFM no later than the start date of services.	<ul style="list-style-type: none"> • Competitively solicited contracts of \$20,000 or more, and their amendments, and the contract includes \$20,000 or more in state funds, for services that do not fit the six categories listed in the first bullet in the box below. Also, amendments to these contracts that do not exceed 50% of the original contract amount or do not substantially change the scope of work.
Contract is filed with OFM a minimum of ten working days prior to the proposed start date of services.	<ul style="list-style-type: none"> • Competitive contracts of \$20,000 or more, and their amendments, and the contract includes \$20,000 or more in state funds, for the following categories: <ul style="list-style-type: none"> o Management consulting (CA), o Organizational development (CA), o Marketing (CG), o Communications (CH), o Employee training (CJ), and o Employee recruiting (CK), • Amendments to sole source or competitive contracts that result in the contract being greater than 50% of the original contract value, when those contracts, as amended, are in the amount of \$5,000 or more. For sole source contracts, \$5,000 or more in state funds must be included. For competitive contracts, \$20,000 or more in state funds must be included. • Amendments to sole source or competitive contracts that constitute a substantial change in the scope of work, when those contracts, as amended, are in the amount of \$5,000 or more. For sole source contracts, \$5,000 or more in state funds must be included. For competitive contracts, \$20,000 or more in state funds must be included. • All sole source contracts of \$5,000 or more, and their amendments, when the contract includes \$5,000 or more in state funds.
Contract is filed with OFM within three working days of start of services or contract execution, whichever is sooner.	<ul style="list-style-type: none"> • Emergency contracts of \$5,000 or more, and their amendments, when the contract includes \$5,000 or more in state funds. • Amendments awarded solely for the purpose of decreasing the total dollar amount of the contract, if the contract was subject to filing with OFM.

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Working Days

"Working days" for filing purposes excludes Saturdays, Sundays, and state legal holidays. For contracts subject to the ten-working day filing period, the earliest start date is the tenth working day after, but not including, the date of filing. The start date for those services may also be any date after the tenth working day, but not before, subject to OFM review or approval. The contract start date can fall on a weekend or holiday after the tenth working day, if desired. This filing period provides time for OFM processing, but also provides a public review period.

15.30.15.d

Start Date

To minimize confusion about the start date of contracts and amendments subject to the ten-working day filing requirement, the contract should include the following or a similar provision:

"Under the provisions of chapter 39.29 RCW, this personal services contract/amendment is required to be filed with the Office of Financial Management (OFM). No contract required to be filed is effective and no work shall commence or payment be made until ten (10) working days following the date of filing, and, if required, until approved by OFM. In the event OFM fails to approve the contract, the contract shall be null and void."

If the above language is not included in the contract, then the contract start date must reflect the correct start date based on the date of filing, or any date thereafter.

If OFM review is completed prior to the end of the ten-working day filing period, the start date remains the tenth working day after the filing date.

OFM may adjust the start date beyond the ten working days from initial contract filing, if the filing is incomplete when first submitted and the agency does not respond to OFM's request for additional information in a timely manner. If the agency provides additional information requested by OFM, prior to the end of the ten-working days, an adjustment will not be necessary. **However, it is the agency's responsibility to verify that the OFM review has been completed or approval granted prior to starting work. The Personal Service Contract Database provides e-mail notification to agency contacts listed on the filing when OFM completes its review and/or approval.**

15.30.15.e

Contract Amendments

Generally, if a contract is subject to filing with OFM, amendments to the contract are also subject to filing.

1. Amendments that are **required** to be filed include those that:

- Increase the maximum contract cost.
- Decrease the maximum contract cost. (Decrease amendments are to be filed with OFM, if the contract total is \$5,000 or more after the decrease, within three working days following the date of execution or start of services, whichever occurs first, and are designated as review filings.)
- Revise the scope of work.
- Revise the period of performance. (Refer to the second bullet under item #2 below presenting amendments that are not required to be filed with OFM.)
- Assign rights and liabilities under the contract to a new legal entity.

2. Amendments that are **not required** to be filed with OFM include:

- Amendments that result in administrative changes to the contract such as address changes, budget line item adjustments or hourly rate changes that do not revise the total contract cost, staffing changes, changes to deliverable due dates, or similar revisions.
- Amendments awarded at the end of the contract term, solely for the purpose of extending the contract period for up to and including two months. This can be either one two-month extension or two one-month extensions. This provision applies only for the noted two months at the end of the contract period. It is not intended to authorize multiple, short-term, time-only extensions beyond two months.

Once this exception has been used on a contract, subsequent time-only extension amendments of any length require filing with OFM, as well as amendments that extend the time and revise the contract value and/or revise the scope of work.

3. Some contract amendments are subject to review by OFM and others are subject to OFM approval. Generally, if the contract is subject to review, its amendment is also subject to review, and if a contract is subject to approval, its amendment is subject to approval. Two examples illustrating exceptions follow:

Example 1: A competitive contract for technical research services in the amount of \$20,000 is subject to OFM review. If the contract is amended by \$12,000, the amendment is subject to approval. The amendment exceeds 50 percent of the original contract amount and requires approval by OFM and is subject to the ten working day filing period.

Note: This example would not apply to institutions of higher education because they file only competitive contracts that include \$20,000 or more in state funds.

Example 2: A contract is competitively awarded for \$10,000 and is not required to be filed. The contract is amended by \$4,500. The \$4,500 amendment is not subject to filing because the competitive contract is less than \$20,000 and the revised contract amount does not exceed 50 percent of the original contract amount. The contract is amended a second time for \$1,500. The \$1,500 amendment is subject to filing and OFM approval, because the \$1,500 combined with the previous amendment of \$4,500 results in total amendments of \$6,000, which exceeds 50 percent of the original contract amount.

15.30.15.f

Contract Total Amount

For filing purposes, the dollar amount specified in the contract should be the maximum contract value. That means the maximum amount that could be authorized for payment under the contract to the contractor and includes the amount estimated for sales and use taxes, travel and other expenses, etc.

If an agency pays directly for contractor airfare, lodging or other expenses, those amounts are not included in the contract total.

15.30.15.g

Contracts Awarded by Institutions of Higher Education

Institutions of higher education file only personal service contracts or amendments that are "state funded" in whole or in part, and meet applicable filing dollar thresholds.

- **Sole Source** – File these contracts and their amendments when at least \$5,000 or more in state funds are included.
- **Competitive** – File these contracts and their amendments when at least \$20,000 or more in state funds are included.

The term, "state funded," as referenced herein, shall mean dollars that are appropriated by the state Legislature and/or allotted by the institution. Again, this term applies to personal service contract filing requirements for institutions of higher education only.

If a contract or amendment awarded by an institution of higher education is funded by both state and non-state funds, e.g., donated funds, it is subject to filing only if the state funded portion equals or exceeds \$5,000 for a sole source contract or \$20,000 for a competitive contract.

Sole source contracts of less than \$5,000 are not subject to filing based on a cumulative count of sole source contracts with a contractor in a state fiscal year, as they are with state agencies. For institutions of higher education, each sole source contract itself must include \$5,000 or more in state funds to be subject to filing. Filed sole source contracts of \$5,000 or more are subject to the cumulative total, however, when determining if the value of the sole source contracts with a single contractor in a fiscal year equal or exceed \$20,000, and thus require OFM approval. The contract or amendment that results in the \$20,000 or more cumulative count is then subject to filing and OFM approval, even if its individual value is less than \$20,000.

The contracts that are not subject to filing with OFM, as explained in this Subsection, are reported to OFM. Refer to Subsection 15.30.55 for more detailed information.

Note: The "state funded" distinction described above applies only to filing requirements. The competitive procurement and other requirements of chapter 39.29 RCW apply to institutions of higher education regardless of fund source.

15.30.20 Filing personal service contracts and amendments

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15.30.20.a

Personal Service Contract Database

Since June 1, 2003, personal service contracts and amendments are required to be filed *exclusively* through the Personal Service Contract Filing Database (PSCD). The PSCD automates many of the tasks associated with filing personal service contracts and amendments and:

- Streamlines the filing and reporting process for state agencies;
- Assists staff by directing them through the filing process with filing rules dynamically built into the system. The system determines the specific justification information that is required by OFM based on the information provided regarding the contract or amendment being filed;
- Provides agencies online access to view the status of their in-process filings; and
- Provides agencies online access to all filed and reported personal service contract data.

The PSCD is available to authorized state agency users **via** the statewide intranet at: <http://contracts.ofm.wa.gov/PSCD>.

PSCD is available to authorized state agency users **outside** the statewide intranet at: <https://fortress.wa.gov/ofm/contracts/PSCD>.

If a state employee needs access to the PSCD, contact the PSCD agency administrator designated by your agency. If you do not know who your agency administrator is, contact OFM at the PSCD customer service phone number: (360) 725-5262 or send an email to: ofm.contracting@ofm.wa.gov.

15.30.20.b

Contract or Amendment

A copy of the contract or amendment, and all referenced attachments or exhibits, must be attached via the PSCD or sent to OFM as a hard copy or CD, etc. For the purpose of filing electronically, the contract or amendment submitted need not show signatures of the parties. However, the document, when filed, must represent a true and final version of the agreement between the parties. Concurrent with the filing process, agencies can acquire the contractor's signature on the contract or amendment.

15.30.20.c

Justification

Personal service contract filings must include a comprehensive explanation of the contract purpose, background and procurement approach. The filing justification submitted by the agencies must be able to withstand public, legislative, and executive scrutiny. Each justification field should be answered thoroughly and completely so that the filing is well documented and explained. Agencies should not refer to attachments, but rather provide specific answers in the justification fields.

Based on the data entered into PSCD about the contract or amendment, the database will display only the justification fields applicable to the filing.

15.30.20.d

Filing Tables

Refer to Subsection 15.30.75 for tables that display filing requirements for state agencies and for institutions of higher education.

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Sole source contract filing requirements

Sole source contracts and their amendments are those that have not been competitively procured. Given the number of firms in the marketplace, absence of competition is not typical for personal services. Agencies should carefully consider both public and private sector resources before making a decision to pursue the exception of sole source award. Sole source contracts are improper if only for the administrative convenience of the agency.

When the agency determines that a competitive process is clearly not feasible and that the sole source criteria apply, it may proceed with a sole source contract, subject to OFM review and approval.

15.30.25.a

Sole Source Filings

Sole source contracts in the amount of \$5,000 or more and their amendments must be filed with OFM. Institutions of higher education have the exception of filing only sole source contracts and their amendments that include \$5,000 or more in state funds. Refer to Subsection 15.30.15.g.

Sole source contracts of \$20,000 or more must be advertised as well as filed.

All sole source contracts and amendments subject to filing with OFM must be filed a minimum of ten-working days prior to the proposed start of work.

The dollar value for filing is determined based on either the individual contract maximum amount or a cumulative total of sole source contracts awarded to the contractor by an agency during a state fiscal year. Only sole source personal service contracts awarded to a single contractor in a state fiscal year are considered in the cumulative total. If, however, a sole source contract is awarded in one fiscal year and amended in another, the total amount of the amended contract is counted in the fiscal year of the amendment.

Competitively awarded personal service contracts, purchased service contracts or client services with the same contractor are not included in the cumulative count for sole source filing purposes. The amount paid to a contractor in a state fiscal year is also not a factor in determining the filing threshold.

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1. **Filing sole source contracts based on a fiscal cumulative total for state agencies.** The dollar range for filing sole source contracts is determined based on either the amount of the individual sole source contract or a cumulative total of sole source personal service contracts and their amendments **awarded** to the contractor by an agency during the current state fiscal year.

Example 1: If a sole source personal service contract in the amount of \$4,000 is awarded to a contractor in a state fiscal year, and another sole source contract of \$1,000 is awarded to the contractor in the same fiscal year, then the \$1,000 personal service contract is subject to filing with OFM, since cumulatively the contractor has been awarded sole source contracts of \$5,000 or more in a fiscal year.

Example 2: If a sole source personal service contract in the amount of \$4,000 is awarded to a contractor in one state fiscal year, and in the next fiscal year a sole source contract is awarded to the contractor in the amount of \$1,000, then the \$1,000 contract is not subject to filing. The contractor has not been awarded sole source contracts of \$5,000 or more in the same fiscal year.

Example 3: If a sole source personal service contract in the amount of \$4,000 is awarded to a contractor in a state fiscal year, and in the next fiscal year an amendment of \$1,000 is awarded to the contract, then the amendment is subject to filing because the total contract amount is \$5,000 for a sole source contract in the fiscal year.

The type of personal services performed by the contractor is not a factor in determining the requirement to file sole source contracts. The cumulative dollar amount of the sole source personal service contracts with the contractor is what is considered. Also, competitive personal service contracts awarded to a contractor during the state fiscal year are not included in this count.

2. **Filing sole source contracts based on a fiscal cumulative total for institutions of higher education.** Institutions of higher education do not file sole source contracts of less than \$5,000 based on a cumulative total, since the individual sole source personal service contract must include \$5,000 or more in state funds to be filed. Amendments to filed sole source contracts are required to be filed when they revise the scope of work, add or deduct dollars to the contract and/or revise the period of performance. These amendments individually do not need to include \$5,000 or more in state funds since the contract itself does. The cumulative sole source calculation of \$20,000 or more and OFM approval is applicable to institutions of higher education based on the total of sole source contracts and amendments which include \$5,000 or more in state funds and are awarded in a state fiscal year to a contractor.

15.30.25.b

Sole Source Filing Review or Approval

OFM **review** is required for sole source contracts and their amendments of \$5,000 to \$19,999, or those that cumulatively equal or exceed \$5,000 or more with the same contractor in a state fiscal year. OFM **approval** is required for sole source contracts of \$20,000 or more and their amendments. Also OFM approval is required when combined sole source contracts between the agency and the contractor during the state fiscal year total \$20,000 or more. In addition, OFM **approval** is required of amendments to sole source contracts of \$5,000 or more that result in the contract value exceeding 50 percent of the original contract amount or that substantially change the scope of work of the contract.

15.30.25.c

Sole Source Contract Justification

The justification for a sole source contract shall include the following information:

1. **Specific problem or need.**
 - Identify and fully describe the specific problem, requirement, or need that the contract is intended to address and that makes the services necessary. Do not simply reiterate the services to be provided.
 - Include an explanation as to how the agency determined the services are critical or essential to agency responsibilities or operations and/or whether the services are mandated or authorized by the Washington State Legislature.

2. **Other public resources.** Explain what effort was taken to conclude:
 - Sufficient staffing or expertise is not available **within the agency, not just within an agency division**, to perform the service; and
 - Other governmental resources (local, state or federal agencies) **external to the agency** are not available to perform the service more efficiently or more cost effectively.

3. **Sole source criteria.** Include a detailed explanation of the items below that are relevant to the sole source decision:
 - **Unique Characteristics** – Describe the unique qualifications, abilities or expertise of the contractor to meet the agency needs and/or describe the unique nature of the services. Unique qualifications or services would be those that are highly specialized or one-of-a-kind. Other factors that may be considered include past performance, cost-effectiveness (learning curve), and/or follow-up nature of the required services. Past performance alone does not provide adequate justification for a sole source contract.
 - **Special Circumstances** – Provide a description of any other special circumstances that may be relevant such as confidential investigations, copyright restrictions, time constraints, or sole availability at the location required.
 - **Time Constraints** – If time constraints are applicable, identify when the agency was on notice of the need for the services, the entity that imposed the constraints, explain the authority (if not obvious) of that entity to impose them, and provide the timelines for work to be accomplished.
 - **Geographic Limitation** – If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.

4. **Reasonableness of costs.** Since competition was not used as the means for procurement, explain how the agency concluded that the costs, fees, or rates negotiated are fair and reasonable. Either make a comparison with comparable contracts, use the results of a market survey, or employ some other appropriate means to make such a determination.

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5. **Sole source advertisement.** Sole source contracts of \$20,000 or more are required to be advertised per Subsection 15.20.60. Include the name of the newspaper the advertisement was published in, the date(s) of the advertisement, and the name(s) of any firms that responded. If no responses were received, please indicate. If one or more responses are received, explain how the agency concluded the contract is appropriate for sole source award. List any other potential contractors that were contacted through other means and explain why these firms could not perform the services.

If the sole source contract is exempt from advertising per Subsection 15.20.60.c, explain the basis for the exemption and include any documentation that provides the authority for the exemption, as applicable.

Sole source advertisement is not required when executing an amendment to a sole source contract.

Institutions of higher education are required to advertise sole source contracts of \$20,000 or more, regardless of fund source.

A sample sole source advertisement is provided in Additional Contract Resources at: <http://www.ofm.wa.gov/contracts/resources/default.asp>.

15.30.25.d

Sole Source Contract Amendment Justification

For amendments to sole source contracts, the justification is to include:

- The rationale for executing an amendment rather than competitively procuring the services and awarding a new contract. Include how executing the amendment can most effectively achieve the agency's purpose.
- An explanation as to why the services under the proposed amendment were not included in the original contract (less than 50 percent amendments only).
- An explanation of any changed conditions since contract award and any other applicable information that clearly justifies the decision to amend the contract.
- Whether the new services are within the scope of services of the original contract. If not, explain.
- Whether the rates are the same as those negotiated under the original contract and explain any increases.

If the amendment is awarded to a sole source contract that was not filed, additional justification elements are required:

- Specific problem or need;
- Other public resources;
- Sole source criteria; and
- Reasonableness of costs.

If an amendment to a sole source contract results in a contract value that exceeds 50 percent of the original contract or substantially changes the scope of work, follow the justification requirements in Subsection 15.30.35.

15.30.30 **Competitively solicited contract filing requirements**

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15.30.30.a

Competitive Filings

Competitively solicited contracts of \$20,000 or more, including their amendments, must be filed with OFM. This filing category includes amendments to competitive contracts that increase the contract value to \$20,000 or more. The contracts are subject to OFM **review or approval**, depending upon the type of service being procured or the amount of the amendment. Institutions of higher education file only competitive contracts with \$20,000 or more in state funds, and their amendments.

For competitive contracts and amendments subject to OFM **review**, work may begin the date of filing with OFM. For contracts and amendments subject to OFM **approval**, work may begin no earlier than ten working days after the date of filing, subject to OFM approval.

Amendments to competitive contracts of \$5,000 or more, for any type of service that exceeds 50 percent of the value of the original contract or that substantially changes the scope of work of the contract, are subject to **approval** by OFM. The justification requirements in Subsection 15.30.35 will be used when this occurs.

Competitive contracts in the amount of \$5,000 to \$19,999 are not filed with OFM, but are reported in PSCD.

15.30.30.b

Competitive Contract Justification

Competitive justification shall include the following information:

1. Specific problem or need.

- Identify and fully describe the specific problem, requirement, or need that the contract is intended to address and that makes the services necessary.
- Include an explanation as to how the agency determined the services are critical or essential to agency responsibilities or operations and/or whether the services are mandated or authorized by the Washington State Legislature.

2. **Other public resources.** Explain what effort was taken to conclude:
 - Sufficient staffing or expertise is not available **within the agency, not just within an agency division**, to perform the service, and
 - Other governmental resources (local, state or federal agencies) **external to the agency** are not available to perform the service more efficiently or more cost effectively.

3. **Competitive process.** Provide a thorough description of the competitive solicitation process including:
 - The name of the major, daily, Washington newspaper and any other publication(s) in which an advertisement was published and/or whether GA WEBS was used.
 - The number of firms to whom the agency directly provided the solicitation document or notification of the solicitation.
 - Whether the solicitation or notice of the solicitation was also published on the Internet.
 - The names of the firms responding with proposals.
 - A description of the evaluation process (e.g., evaluation committees scored the responses, selection committee made the award decision, etc.)
 - The basis on which the contractor was selected. Include the strengths of the contractor, which resulted in the higher score and selection for award. Do not simply list the evaluation criteria.

4. **Reasonableness of costs.** Explain how it was determined that costs are fair and reasonable or within the competitive range.

15.30.30.c

Contract Amendment Justification

For amendments to competitive contracts that have been filed, the justification is to include:

- A description of the specific problem, requirement or need which the amendment is intended to address and which makes the services necessary.
- The rationale for executing an amendment rather than competitively procuring the services and awarding a new contract. Include how executing the amendment can most effectively achieve the agency's purpose.
- Whether the new services are within the scope of services of the original contract.
- Whether the option to extend the contract was included in the solicitation and for what additional period(s).
- An explanation of any changed conditions since contract award and any other applicable information that clearly justifies the decision to amend the contract.
- Whether the rates are the same as those negotiated under the original contract and explain any increases.

If the amendment is awarded to a competitive contract that was not filed, e.g., less than \$20,000, but the amendment is subject to filing, additional justification elements are required:

- Specific problem or need;
- Other public resources;
- Contractor qualifications, and
- Reasonableness of costs.

If a contract amendment exceeds 50 percent of the value of the original contract or substantially changes the scope of work, the justification requirements of Subsection 15.30.35 must be followed.

15.30.30.d

Filing Review or Approval

OFM **review** is required for most competitive contracts in the amount of \$20,000 or more. These include contracts in the following categories of service: legal services, financial services, computer and information services (except those for major systems as defined in management consulting), social research, technical research, and other personal services. Further description of these categories is included in Subsection 75.70.20.

However, the Washington State Legislature has taken special interest in six categories listed and described below and has required filing and advance OFM **approval** for those contracts and their amendments.

1. **Management Consulting Services – Sub-Object Code: CA**

Includes, but is not limited to, services that impact agency policy, regulatory, and business issues, or that have broad agency or statewide policy implications. Includes services that result in operational or managerial recommendations related primarily to business and policy issues. (Services related primarily to employee issues fall under Organizational Services.) Also, includes services for program development, implementation, and coordination; program evaluation and/or external quality review (may be mandated by the Legislature or federal funding source). Includes conduct of performance audits, business assessments, accreditation reviews, management studies, including studies requested by the Legislature; and feasibility studies with significant policy impact. Also includes services for project management, quality assurance, and business process re-engineering related to the agency’s business and policy responsibilities; risk management and loss prevention; mediation; lobbying, etc.

Management services also includes design, development, and/or implementation of “major” agency information technology (IT) or telecommunications systems; re-engineering of major IT systems; project management of major IT systems; quality assurance on or evaluation of IT systems; development of significant IT strategic plans; and business analysis regarding the IT needs of an agency. “Major” systems for the purpose of this definition are those that have significant agency-wide or statewide impact.

Other IT personal services fall under sub-object CD defined in Subsection 75.70.20.

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Includes, but is not limited to, services with a primary focus on agency organizational and human resource issues. Includes services to study, analyze, or review the organizational structure, framework, or culture of the agency or divisions within the agency, and/or services implementing the recommendations of such an organizational study or effort. Also includes services that provide recommendations to management on enhanced efficiencies, productivity and process improvements related to employee functions at an agency and strategic planning within the organization; quality control services related to employee responsibilities within the organization; services to assist agencies in developing strategies to improve communication or processes with staff and customers to implement an agency's mission and to gain a better understanding of employee issues/concerns; personnel investigations and mediation; and facilitation services. (Services related primarily to agency business issues fall under Management Consulting Services.)

3. Marketing Services – Sub-Object Code: CG

Includes services to develop or implement a marketing or advertising plan or campaign; services related to marketing or promoting an agency's services or agricultural commodities and state tourism; public relations; market branding; media specialist and media relations services; and market research and development. Also includes public involvement campaigns; trade development and assistance; development of market research and customer satisfaction surveys and/or assessment of survey results; conference or trade show coordination/planning/funding; fund raising; and related types of services.

4. Communication Services – Sub-Object Code: CH

Includes design, development, and/or oversight of audio/video media productions, brochures, manuals, guidelines, newsletters, display exhibits, signs, posters, annual reports, etc.; technical writing/editing; speech writing; oral history writing; grant writing; graphic design services; development of communication strategies; and other related services to inform the public or other governmental agencies about a subject or issue. **Does not include** services related to installation of computer system linkage and telecommunications systems, which are classified as purchased services.

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5. **Employee Training Services – Sub-Object Code: CJ**

Includes training provided to meet employee needs for training provided to all or most state agency employees up to six times per year. Also includes managerial training, employee counseling services, guest speakers for most types of functions (not limited to state employees as the audience), curriculum development for all types of training services (not limited to state employee training), and includes conversion to on-line courses, and development of tests and test questions and administration of testing when it includes evaluation of candidates or similar service. **Does not include** training that is offered to all or most state employees on a continual or recurring basis (more than six times per fiscal year), such as basic first aid, grammar review, effective writing skills, etc., which is purchased service training. **Does not include** training provided incidental to the purchase of equipment, but not included in the purchase price, technology-based distance learning options (satellite, e-learning, webcasting), or standard information technology training related to hardware or software in use by an agency, which are purchased services. **Does not include** services to provide personal service training to local government or other public or private entities, which are classified as CZ, “Other Personal Services.” **Does not include** training provided directly to agency clients or guest speakers for clients, which are client service contracts.

6. **Recruiting Services – Sub-Object Code: CK**

Includes services performed by a professional search firm to assist in recruitment of a successful candidate to fill a vacant position in an agency. **Does not include** amounts paid to trade magazines, or newspapers for publishing open position announcements.

15.30.30.e

Civil Service Competitive Contracting

If a personal service contract is awarded under the authority of RCW 41.06.142, referred to in this policy as civil service competitive contracting, the following justification elements are required:

- Specific problem or need;
- Evaluation; and
- Reasonableness of costs.

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Contract amendments cumulatively exceeding 50 percent of the value of the original contract or that substantially change the scope of work

15.30.35.a

Substantial Amendment Filings

Large or substantial contract amendments fall into a separate filing category. Contract amendments, that singly or cumulatively exceed 50 percent of the value of the original contract, or that substantially change the scope of work of the contract or of the original solicitation document, must be filed with OFM. This applies to both competitive or sole source contracts which, when amended, total \$5,000 or more.

Institutions of higher education file these amendments only to sole source contracts that include \$5,000 or more in state funds or competitive contracts that include \$20,000 or more in state funds.

Such amendments require OFM **approval** and must be filed at least ten working days prior to the proposed start date.

15.30.35.b

Definition

"Substantial" changes to contracts are those that represent a significant change in quantity, duration, nature, or cost of the work. An example of a substantial change that could be appropriately executed as a contract amendment is a contract in which the work is broken into phases and approval of additional phases (through contract amendment) is subject to satisfactory completion of a previous phase, and such work phasing is clearly set forth in the solicitation document or original contract. Another example is an amendment to a contract that exercises the option to extend the work at the discretion of the agency (e.g., extending a two-year contract for one additional year).

15.30.35.c

Amendment Justification

Justification for an amendment in this filing category, when the contract was filed, shall include the following information:

1. **Specific problem or need.** Identify and fully describe the specific problem, requirement, or need that the contract and this amendment is intended to address and that makes the services necessary.
2. **For an amendment to a competitive contract.**
 - Provide an explanation of the **contractor's qualifications**, abilities, and/or expertise to meet the agency's specific needs for the services under the amendment.
 - State if the **option to extend** the contract was included in the solicitation and for what additional period(s). If the amendment is for a time extension only, and is not adding money or services, just state why the additional time is needed.
3. **Why amendment preferred.** State the rationale for executing an amendment to the existing contract rather than competitively procuring the services and awarding a new contract. Include how executing the amendment can most effectively achieve the agency's purpose. Include whether the new services are **within** the scope of the original contract and/or, if competitively awarded, **within** the scope of the solicitation document. If not, explain.
4. **Changes since award.** Explain any external conditions beyond the agency's control that have occurred since contract award that provide further justification for award of the amendment.
5. **Reasonableness of costs.** State if the rates are the same as those in the original contract. If not, explain the reason for any increased pricing.

15.30.35.d

Amendment to Unfiled Contract

If an amendment in this category is awarded to a **sole source** contract that was **not** filed, additional justification elements are required:

- Specific problem or need;
- Other public resources;
- Sole source criteria; and
- Reasonableness of cost.

If an amendment in this category is awarded to a **competitive** contract that was **not** filed, additional justification elements are required:

- Specific problem or need;
- Other public resources;
- Contractor qualifications; and
- Reasonableness of cost.

15.30.40

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Emergency contracts

Emergency contracts are awarded to resolve an emergency situation. An "emergency" means a set of unforeseen circumstances beyond the control of the agency that either presents a real, immediate threat to the proper performance of essential state functions or that may result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. Lack of prior planning does not constitute an emergency.

Examples of emergency contracts include post-earthquake assessments and evaluations, fire damage consultation, and personnel investigations, when they are extremely critical and time-sensitive.

15.30.40.a

Emergency Filings

Emergency contracts, and their amendments, in the amount of \$5,000 or more are subject to filing with OFM.

Such contracts and amendments must be filed with OFM for **review** within three working days following the date of contract execution or start of work, whichever occurs first.

Amendments to emergency contracts are rare. If the emergent contract conditions still exist, then an amendment to an emergency contract is appropriate. If the conditions have been alleviated and are not severe, the amendment filing should be designated a sole source amendment to an emergency filing and is subject to the ten-working day filing period.

15.30.40.b

Emergency Contract Justification

Emergency justification shall include the following information:

- **Nature of emergency.** Explain the nature of the emergency and the relevant circumstances associated with the emergency.
- **Health or safety threat.** Describe the threat to the health or safety of individuals, property, or essential state functions if immediate action is not taken. Provide an estimate of the potential material loss or damage.
- **Alleviate or eliminate emergency.** Explain how the services of the contractor will alleviate or eliminate the emergency. Describe what the probable consequences would have been if the emergency action had not been taken and the risks associated with inaction.
- **Contractor's qualifications.** Describe the contractor's qualifications, experience, and background to provide the emergency service and the basis on which this contractor was selected over other qualified firms.
- **Reasonableness of costs.** Explain how the agency concluded that the costs negotiated are fair and reasonable since competition was not conducted.

15.30.40.c

Emergency Contract Amendment Justification

If the emergent contract condition still exists, the agency may file the amendment as an “emergency” amendment which shall include:

- **Rationale for the amendment.** The rationale for executing an amendment rather than competitively procuring the services and awarding a new contract. Include how executing the amendment can most effectively achieve the agency’s purpose.
- **Why not included previously.** An explanation as to why the services under the proposed amendment were not included in the terms of the original contract.
- **Changed conditions.** An explanation of any changed conditions since contract award and any other applicable information that clearly justifies the decision to amend the contract.
- **Within scope.** Whether the new services are within the scope of services of the original contract.
- **Rates the same.** Whether the rates are the same as those negotiated under the original contract and explain any increases.

15.30.40.d

Unfiled Emergency Contract

If the amendment is awarded to an emergency contract that was **not** filed, e.g., less than \$5,000, but the amendment is subject to filing, additional justification elements are required:

- Nature of the emergency;
- Health or safety threat;
- Contractor’s qualifications; and
- Reasonableness of costs.

15.30.45 **OFM response to filings**

July 1, 2007

The agency should expect to receive either a written or oral response from OFM within ten working days from the date of filing. If the filing is incomplete or needs clarification, OFM will request further information prior to processing, and this may delay OFM's final decision. If a filing is incomplete and/or lacking in content, OFM may return it to the agency to be revised and re-filed.

- 15.30.45.a Once OFM has completed processing of the filing, the agency will receive electronic verification of OFM's decision from the PSCD.
- 15.30.45.b If OFM anticipates disapproval of a filing, the agency will be notified promptly.
- 15.30.45.c The decision to disapprove a filing will be in writing from OFM through the PSCD and will clearly state the reason for disapproval.

15.30.50 **Late filing**

July 1, 2007

- 15.30.50.a Contracts or amendments are designated "late" when:
- Contracts or amendments subject to the ten-working day filing period are filed with a requested start date that is less than ten working days from the date of filing.
 - Competitively solicited contracts or their amendments subject to OFM review are filed after the start date of services.
 - Emergency contracts or their amendments are filed more than three business days after the start of work or execution of the contract.

PSCD will request an explanation as part of the filing justification stating: 1) the reason for the late filing, and 2) how a similar situation will be prevented in the future.

- 15.30.50.b In the rare instances when contract filings are submitted to OFM after work under the contract or amendment is completed, OFM will "acknowledge" receipt of the filing and process it. However, OFM will not consider the filing formally reviewed or approved by OFM.

15.30.55

July 1, 2007

Reporting of personal service contracts that are not subject to filing

OFM is required to maintain a publicly available list of personal service contracts awarded by state agencies. Contracts and amendments filed with OFM throughout the year are automatically included on the list. Personal service contracts that are not filed must be reported to OFM as follows:

State agencies, exclusive of institutions of higher education, report:

- Competitively awarded personal service contracts and amendments in the amount of \$5,000 - \$19,999.

If the agency filed an amendment to the contract in this category that resulted in the contract exceeding 50 percent of the original contract amount, the amendment does not need to be reported to OFM, as it was filed.

Institutions of higher education report:

- Competitively awarded personal service contracts and amendments in the amount of \$5,000 - \$19,999, any fund source.
- 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.

Reported contract information is to be submitted to OFM through the Personal Service Contract Database (PSCD). The reported contracts and amendments can be submitted into PSCD at time of award or at the end of the fiscal year. It is often more efficient to report them at time of award, rather than compiling and entering all the data at the end of the fiscal year.

Agencies do not report contracts that are exempt under RCW 39.29.040 and described in Subsection 15.10.20.

At a minimum, the following information shall be entered into the PSCD for reporting personal service contracts and amendments:

- Agency Number;
- Agency Contact Name(s);
- Name, address and Federal Tax Identification Number of the contractor;
- Whether the entry is a new contract or an amendment;
- Contract/amendment start and end dates;
- Dollar value of contract or dollar value of amendment if being reported;
- Fund source;
- Description of scope of work;
- Procurement type, e.g., whether competitive, sole source, emergency, or civil service competitive; and
- Whether the contractor, or a member of the contractor's key project staff, is a current or former state employee:
 - If a current state employee, document whether Executive Ethics Board approval is required. If so, indicate whether approval was granted for the contract or, if not, why not.
 - If a former employee of the state of Washington in the past 24-months, state the name of the agency the employee worked for, last position held, and termination date.

15.30.60 Annual contract procedures report

July 1, 2007

15.30.60.a RCW 39.29.110 requires state agencies that have awarded or renewed personal service and/or client service contracts during a calendar year (January – December) to provide a report to OFM detailing the procedures the agency employed in awarding, renewing and managing the contracts. The contract procedures report is due to OFM by **January 31** of each calendar year.

15.30.60.b This policy addresses personal service contracts, but the report applies to both personal service and client service contracts, so both items are included below.

The following items are required as part of submitting the Annual Contract Procedures Report:

1. **Contract procedures.** A copy of, or a web site link for, the agency's procedures on personal service contracts; or if an agency does not have written internal contract procedures in place, but the agency utilizes the policies in Chapter 15, those policies should be referenced.
2. **Contract totals.** OFM has the totals for personal service contracts, if the agency has filed and reported its personal service contracts, as required. Therefore these totals do not need to be provided for personal services.

15.30.65
July 1, 2007

Quarterly reporting requirements for architectural and engineering contracts

RCW 39.80.070 requires that contracts and amendments for architectural and engineering services shall be reported to OFM no less than quarterly. For purposes herein, quarters shall be for the three-month periods ending September, December, March, and June of each fiscal year.

15.30.65.a Reported architectural and engineering contracts and amendments are to be entered into the OFM Personal Service Contract Database (PSCD). The entries in the database may occur at time of contract award or amendment execution, rather than at the end of the quarter.

If the data is submitted on a quarterly basis, the quarterly reports shall be entered into the OFM database no later than the fifteenth day of each month following the end of the quarter; e.g., October 15, January 15, April 15, and July 15. If the fifteenth day falls on a Saturday, Sunday or state holiday, the report is due the next working day.

15.30.65.b The following information shall be entered into the PSCD for the quarterly architectural and engineering contract report:

- Agency Number;
- Agency Contact Name(s);
- Name, address and Federal Tax Identification Number of the contractor;
- Whether the entry is a new contract or an amendment;
- Contract/amendment start and end dates;
- Dollar value of original contract or dollar value of amendment being reported;

- Description of the project;
- Whether the contractor, or a member of the contractor's key project staff, is a current or former state employee:
 - If a current state employee, document whether Executive Ethics Board approval was required. If so, indicate whether approval was granted for the contract or, if not, why not;
 - If a former employee of the state of Washington in the past 24 months, state the name of the agency the employee worked for, last position held, and termination date; and
- Whether the contract was competitively procured per Chapter 39.80 RCW.

15.30.70
July 1, 2007**Summary report on contracts**

Upon request, OFM will provide other summary reports on personal service contract filings to the Joint Legislative Audit and Review Committee.

15.30.75
July 1, 2007**Contract filing and reporting categories for personal service contracts**

For state agencies, refer to Subsection 15.30.75.a.

For institutions of higher education, refer to Subsection 15.30.75.b

PERSONAL SERVICE CONTRACT FILING & REPORTING CATEGORIES
(State Agencies Only - Exclusive of Institutions of Higher Education)

15.30.75.a

Personal Service Contracts/Amendments	\$ Threshold For Filing	OFM Review or Approval	Filing Period	Report to OFM**
SOLE SOURCE Contracts and Amendments (singly or cumulatively awarded to a contractor in a fiscal year period by an agency)	\$ 5,000 - \$19,999	Review*	10-working day advance filing	
	\$20,000 or more	Approval	10-working day advance filing	
EMERGENCY Contracts and Amendments	\$5,000 or more	Review	3-working days from date of execution or start of work, whichever is sooner	
COMPETITIVE Contracts and Amendments	\$5,000 to \$19,999			X
COMPETITIVE Contracts and Amendments for legal services, financial services, computer and information services (except those included in the management consulting category), social research, technical research and other services (not included in the categories in the row below) (Refer to Subsection 75.70.20 for descriptions of these categories.)	\$20,000 or more	Review*	Work may start on or after the working day filed with OFM.	
COMPETITIVE Contracts and Amendments for: Management Consulting, Organizational Development, Marketing, Communications, Employee Training and Employee Recruiting. (Refer to Subsection 75.70.20 for descriptions of these categories.)	\$20,000 or more	Approval	10-working day advance filing	
AMENDMENTS to competitive or sole source contracts that result in the contract amount being greater than 50% of the original contract value and/or amendments that constitute a substantial change in the scope of work.	\$5,000 or more (Contract, when amended, equals \$5,000 or more)	Approval	10-working day advance filing	

* If contract amendments in these categories result in the contract exceeding 50% of the original contract amount or if they make a substantial change in the scope of work, the amendment is subject to OFM approval, rather than to review. Such amendments should be filed under the greater than 50% amendment category.

** Contracts and amendments subject to reporting to OFM should be reported ideally at the time of award or at the end of the fiscal year.

Note: Subsection 15.30.15.e lists types of amendments that are not subject to filing.

15.30.75.b

PERSONAL SERVICE CONTRACT FILING & REPORTING CATEGORIES
(Institutions of Higher Education Only)

Personal Service Contracts/Amendments	Fund Source	File with OFM	Filing Period	Report to OFM***
SOLE SOURCE Contracts and Amendments (singly or cumulatively awarded to a contractor in a fiscal year period by an agency) (Contract must have \$5,000 or more in state funds to be filed; therefore contracts with less than \$5,000 in state funds are not calculated cumulatively for filing purposes, but they are for reporting purposes.) \$ 5,000 - \$19,999	State Funds * \$5,000 or more	OFM Review **	10-working day advance filing	
	Non-State Funds or <5K State Funds			X
SOLE SOURCE Contracts and Amendments (singly or cumulatively awarded to a contractor in a fiscal year period by an agency) (Contract must have \$5,000 or more in state funds to be filed; therefore contracts with less than \$5,000 in state funds are not calculated cumulatively for filing purposes, but they are for reporting purposes.) \$20,000 or more	State Funds * \$5,000 or more	OFM Approval	10-working day advance filing	
	Non-State Funds or <5K State Funds			X
EMERGENCY Contracts and Amendments \$ 5,000 or more	State Funds * \$5,000 or more	OFM Review	3-working days from date of execution or start of work, whichever is sooner	
	Non-State Funds or <5K State Funds			X
COMPETITIVE Contracts and Amendments	Any Fund Source \$5,000 - \$19,999			X
COMPETITIVE Contracts and Amendments for legal services, financial services, computer and information services (except those included in management consulting), social research, technical research, and other services (not included in the management-type categories in the row below) \$20,000 or more	State Funds * \$20,000 or more	OFM Review **	Work may start on or after the working day filed with OFM	
	Non-State Funds or <20K State Funds			X
COMPETITIVE Contracts and Amendments for: Management Consulting, Organizational Development, Marketing, Communications, Employee Training and Employee Recruiting \$20,000 or more	State Funds * \$20,000 or more	OFM Approval	10-working day advance filing	
	Non-State Funds or <20K State Funds			X
AMENDMENTS to competitive or sole source contracts that result in the contract amount being GREATER THAN 50% of the original contract value or that constitute a substantial change in the scope of work. Contract, when amended, equals \$5,000 or more	State Funds * Sole Source, \$5,000 or more; Competitive, \$20,000 or more	OFM Approval	10-working day advance filing	
	Non-State Funds or <5K State Funds if Sole Source and <20K State Funds if Competitive			X

* State Funds for the purposes of filing means dollars that are: 1) appropriated by the Washington State Legislature, and/or 2) allotted by the agency. If a contract or amendment contains both state and non-state funds, it is filed only if the state-funded portion equals or exceeds: a) \$5,000 for sole source and emergency contracts, or b) \$20,000 for competitive contracts. Non-state funded contracts and amendments in these categories are reported to OFM.

** If contract amendments in these categories result in the contract exceeding 50% of the original contract amount or if they make a substantial change in the scope of work, the amendment is subject to OFM approval, rather than to review. Such amendments should be filed under the greater than 50% amendment category, subject to fund source.

*** Contracts and amendments subject to reporting to OFM should be reported ideally at the time of award or at the end of the fiscal year.

Note: Subsection 15.30.15.e lists types of amendments that are not subject to filing.