

Document Code No.: CON-7-1-3-EP

Title: Contracting for Procurement of Goods and Services (Excluding Professional Services and Public Works)

Affected Agencies: All King County Executive Departments, Offices, and Agencies

Authorities: RCW 36.32.245, RCW 36.32.253, RCW 39.04.190, KCC 2.93

Keywords: Administrative Policies and Procedures, Procurement, Contracts, Competitive Bidding, Goods and Services

Sponsoring Agency: DES/FBOD/Procurement and Payables Section



King County

Executive signature: *Don Constant*

Date signed and effective: 9/29/16

I. Purpose

To establish uniform procedures for procuring goods and services, including technical services, at the County level and to encourage competition through an open and transparent procurement process. This policy does not apply to the procurement of Professional Services, Architectural & Engineering Services, or Construction.

II. Applicability and Audience

All King County executive departments, offices, and agencies ("Agency").

III. Definitions

"Agency" means any King County executive department, office, and agency.

"Award" means the selection of the low responsible and responsive bidder or proposer deemed most advantageous, taking into consideration the quality of the goods and/or services to be purchased, leased or the work or services being performed.

"Bid" or "proposal" means an offer to provide goods and/or services in response to a solicitation for bids or proposals issued by the County.

"Bidder," or "proposer" means a person, firm, partnership or corporation or combination thereof that formally submits a bid, proposal or offers to provide goods and/or services in response to a solicitation for bids or proposals or a request for qualifications issued by the County.

"Contract" means a mutually binding legal relationship or any modification thereof obligating a bidder or proposer to provide goods and/or services and that obligates the County to pay therefore. For the purpose of this policy, "contract" does not mean a contract for professional services and public works.

"Direct Buy" means a total purchase value, including tax, of \$10,000 or less of goods and/or services. Purchases shall not be artificially divided so as to constitute a direct buy.

"FBOD" means the Finance and Business Operations Division of the Department of Executive Services.

"Goods" means any tangible personal property including equipment, supplies, materials and goods, and includes intangible personal property that is movable, subject to ownership, and has exchange value.

"New purchase requirement" is a purchase for a goods and/or services for which the County does not have an existing applicable contract that is available to meet the requirement.

"P&P" means the Procurement and Payables Section of the Finance and Business Operations Division.

"POETA" means the financial transaction coding used for expenditure transactions consisting of Project number, Organization, Expenditure type, Task number, and Award Number.

"Request for Service" means an automated online system by which agencies make requests for procurement services, including solicitations, waiver and other types of assistance.

"SCS" means a Small Contractor and Supplier who is certified by the County as a business that is in a financial condition that puts the business at a substantial disadvantage in attempting to compete for public contracts.

"Services" means, except for professional services or technical services, the furnishing of labor, time, or effort by a supplier, not involving the delivery of goods, such as reports that are merely incidental to the required performance.

"Solicitation" means a formal process of advertising and collecting competitive sealed bids or proposals for the purpose of awarding a contract.

"Supplier" means a vendor, supplier, contractor, consultant or any individual supplying goods and/or services to the County, other than employment services.

"Technical services" means those services provided by independent contractors within the scope of accounting, law, financial or administrative studies, studies of a technical nature, management advisory services and special project management, for a defined time or result or other practice that requires either specialized knowledge, advanced education or licensing or certification, or any combination thereof, and where the primary service provided is intellectual involving the consistent exercise of judgment and discretion or the provision of specialized skills.

IV. Policy

It is the policy that all Agencies conform to the following procedures for the disbursement of public funds for the purpose of:

- Ensuring that contracting is a competitive process designed to afford opportunity to qualified, responsible, and responsive suppliers.

- Ensuring that King County is effectively managing and leveraging procurement dollars by sourcing common good and services through countywide contracts where possible.
- Determining responsibility related to contracting or new purchase requirements.
- Providing consistent internal controls for all Agencies.
- Ensuring effective safeguards for procurement of goods and services are in place.
- Ensuring that procurement and contract award processes of the County are uniform and consistent with all applicable laws including federal, state and King County Code.
- Establishing procurement guidelines that help to ensure the integrity of compliance with King County business and financial reporting.
- Ensuring that bidders or proposers seeking to contract with King County may not be legally construed to be employees of King County.

A. Procedures for Purchases under \$50,000

1. For a direct buy of goods and/or services less than \$10,000 as a total cost including tax:
 - a. If there is no existing contract, the Agency will confirm with P&P that there is no existing contract. The procurement is a Direct Buy if there is no contract available. Agencies may proceed by calling a supplier with a record of providing goods and/or services at competitive prices and placing an order.
 - b. If there is a contract, the Agency will proceed with ordering per the terms of the contract.
 - c. Small Contractors and Suppliers (SCS) participation should comply with CON 7.12.
2. For procurement of goods and/or services greater than \$10,000 but less than \$50,000 as a total cost:
 - a. If there is a contract, the Agency will proceed with ordering per the terms of the contract.
 - b. If there is no contract, work with P&P to develop the best sourcing solutions.
 - c. If a three quote process is selected, agencies must contact at least three suppliers (if available) for price quotations.
 - i. Agencies must submit the three quote documentation to P&P for review.
 - ii. Agencies will maintain a record of each quotation and award to the low responsible supplier.

B. Procedures for Purchases over \$50,000

1. For procurement of goods and/or services involving more than \$50,000 as a total cost including tax, P&P develops a formal written solicitation in consultation with the Agency, including but not limited to:
 - a. Description of the goods and/or services including quantity.
 - b. Description of the type of procurement - purchase, lease, term contract, etc.
 - c. Date the goods and/or service must be delivered or available.

2. Agencies are responsible to submit a Request for Service to P&P to initiate a formal solicitation or a new procurement.
 - a. Agencies must fulfill any requirements relating to the procurement as identified by P&P, including but not limited to indicating when Federal funds will be used.
 - b. Agencies may recommend suppliers to be included on the bidder's list.
 - c. Agencies must provide P&P with the appropriate POETA coding for billing associated with procurement services.
3. P&P is responsible for:
 - a. Determining if a request should reference an existing contract or should be sourced through an alternative purchasing arrangement.
 - b. Evaluating whether similar needs exist in the County and developing a strategic sourcing plan where there exists a commodity of same or similar goods or services that lend themselves to leveraging the County's buying power by combining quantities from all County Agencies.
 - c. Developing the contract.
 - d. Setting the schedule and time for bid or proposal openings.
 - e. Preparing and advertising bids or proposals publicly.
 - f. Receiving sealed bids and proposals; ensuring they are date and time stamped, further that no bids or proposals are accepted after the date and time specified.
 - g. Recording quotations and responses to Invitations to Bid and Requests for Proposals assuring they are open for public inspection.
 - h. Ensuring applicable requirements for SCS firms and federal disadvantaged business enterprise ("DBE") or minority or women's business enterprise ("WMBE") participation are addressed in the procurement documents.
 - i. Approving the contract award.
 - j. Determining which awards are exceptions to the standard procurement process.
 - k. Notifying suppliers of bid and proposals results.
 - l. Carrying out all contract awards in accordance with the King County Code, RCW and any other applicable laws and standards.
 - m. Charging the Agency using the provided POETA coding for costs associated with the bid advertisement via Oracle EBS Projects.

C. Responsibilities for P&P

1. P&P shall manage and conduct the formal solicitation and award process for all Agencies.
2. The Chief Procurement Officer is designated the authority to let any contract, lease or purchase of goods and/or services below \$10,000 (as a total cost) without advertisement and without competitive bidding (KCC chapter 2.93).
3. P&P shall evaluate commodity purchases and determining a strategic sourcing plan where there exists a commodity of same or similar goods or services that lend themselves to leveraging the County's buying power by combining quantities from all County Agencies.
4. P&P shall manage and conduct a proactive sourcing strategy including spend analysis and managing off contract purchases in order to leverage the County's buying power for all King County Agencies.

5. P&P is responsible for authorizing agencies to make purchases and payments using the purchasing card as authorized through the CON 7-16.
6. P&P shall administer contracts that have been awarded through competitive bidding including three quotes, Invitations to Bid, and Requests for Proposals for goods and services.
7. P&P shall use all procurement tools available including cooperative purchasing with other public agencies.

D. Responsibilities for Agencies

1. All applicable Agencies will comply with this policy, and Directors are responsible for informing their employees of this policy.
2. Agencies are responsible for cooperating with P&P to ensure that commonly purchased commodities are managed through a proactive sourcing strategy.
3. Agencies shall use countywide contracts wherever possible to reduce cycle time, leverage buying power, and eliminate redundant solicitations.
4. The Agency is responsible for developing and providing P&P the specifications, scope of work, and any other information necessary that allow open, competitive solicitation(s).
5. The Agency is responsible for providing the Request for Service.
6. In collaboration with P&P, all Agencies of King County are responsible for ensuring that bids and proposals submitted are competitive and awards are made to the low responsible/responsive bidder or the most advantageous proposer.

V. Implementation Plan

- A. This policy becomes effective for all Agencies on the date that it is signed by the Executive. The Department of Executive Services is responsible for implementation of this policy.
- B. DES/FBOD/Procurement and Payables Section is responsible for communicating this policy to the management structure within the respective agencies and other appropriate parties.

VI. Maintenance

- A. This policy will be maintained by P&P or its successor agency.
- B. This policy will automatically expire five (5) years after its effective date. A new, revised, or renewed policy will be initiated by P&P, or its successor agency prior to the expiration date.

VII. Consequences for Noncompliance

Agencies in noncompliance with this policy shall submit a letter of justification and remediation plan signed by the Department Director or designee to the Chief Procurement Officer for review and action.

Continuing noncompliance may subject the King County employee violating the policy to the disciplinary process set forth in the King County Personnel Guidelines section 16 and the provisions of King County Code 3.12.270.

Appendices: See King County Code 2.93.