

Administrative Policy No. 13.08

Subject: Operational (Purchased) Goods and Services

Information Contact: Chief, Office of Administrative Resources (OAR)
MS 45823 (360) 664-6050

Authorizing Source: [Chapter 39.26 RCW](#), Procurement of Goods and Services
[State Administrative & Accounting Manual, Office of
Financial Management](#)
[Chapter 43.105 RCW](#), Office of the Chief Information
Officer (OCIO)

Effective Date: March 1, 1997

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Approved By: Original signed by Dana Phelps
Senior Director, Policy & External Relations

Purpose

This policy sets forth general requirements to:

Ensure that all Headquarters (HQ), Administrations, Regional Business Centers (RBCs) and Consolidated Institutions Business Services (CIBS) make purchases for Operational Goods and Services in compliance with state law and Department of Social and Health Services (DSHS) policy. [Chapter 39.26 RCW](#) allows the Department of Enterprise Services (DES) to delegate purchase authority to state agencies.

In DSHS, the Central Purchasing Unit (CPU) is the DSHS Headquarters office **receiving** delegated purchasing authority from DES. This policy allows the CPU to delegate **limited** purchasing authority to DSHS HQ, Administrations, RBCs and CIBS through the [DSHS Annual Purchasing Delegation Memo](#) issued by the Director of Operations Support and Services (OSSD).

Scope

A. This policy applies to:

1. All DSHS HQ, Administrations, RBCs and CIBS.
2. All purchases of Operational Goods and Services governed by [Chapter 39.26 RCW](#) and

[Chapter 43.105 RCW](#).

B. This policy does not apply to:

Contracts governed by Central Contract and Legal Services, [DSHS Administrative Policy 13.10](#), under [Chapter 39.26 RCW](#) and [Chapter 43.105 RCW](#), such as personal services, client services, and interagency agreements.

Definitions

Central Purchasing Unit (CPU) - The organizational unit within the Operations Support and Services Division (OSSD) that delegates limited purchasing authority, owns the DSHS TRACKS e-Purchasing system, sets policy and procedures, manages competitive procurements and provides consultation to DSHS HQ, Administrations, RBCs and CIBS regarding the purchase of Operational Goods and Services.

Consolidated Institution Business Services (CIBS) – The unit that serves as the business office for the eight western Washington DSHS institutions.

Cost Center – A two-digit number in the TRACKS e-Purchasing system that identifies a DSHS administration, institution, division, program RBC, CIBS or council.

Delegated Authority - The purchasing authority the Department of Enterprise Services delegates to DSHS with dollar amount limitations for purchasing Operational Goods and Services.

Department of Enterprise Services (DES) - The authorizing state agency granted authority under [Chapter 39.26 RCW](#) to set statewide procurement, purchasing, and contracting requirements and to grant delegated authority to individual state agencies.

DES Master Contract – A contract procured by DES that requires state agency usage under DES policy. Dependent upon the process outlined by DES in the Master Contracts, state agencies may acquire goods or services directly from the contracted vendor, or must complete a 2nd Tier competitive process before acquiring goods or services.

DSHS Annual Purchasing Delegation Memo - A memo issued by the Director of OSSD, which outlines the purchasing authority delegated to DSHS HQ, Administrations, RBCs and CIBS.

Operational Goods and Services – The Information Technology (IT) and Non-IT materials, equipment, supplies, and services necessary to accomplish routine, continuing, and necessary day-to-day business operations.

- Examples of Non-IT Operational Goods and Services include, but are not limited to, desks, tables, chairs, office supplies, tools, consumable inventory, janitorial services, landscaping services, and security guard services.

- Examples of IT Operational Goods and Services include but are not limited to, computer equipment, software/licenses, telecommunications equipment, wireless devices, data processing, programming and analysis, equipment repair, hardware/software maintenance, and LAN support. [Chapter 43.105 RCW](#) establishes some requirements for IT goods and services.

Physical Address (Location/Sub-Location) Code - A nine-digit alphanumeric code in the TRACKS system that represents an organizational entity at a specific geographical site.

Purchase Order (PO) - The DSHS formal purchasing tool generated by the TRACKS e-Purchasing module for the purchase of Operational Goods or Services. A PO is a legally binding contract once the vendor has delivered the Operational Goods or Services.

- A PO includes standard terms and conditions to best limit risk and protect DSHS.
- A PO is used primarily for goods or services acquired under a DES Master Contract, or for low risk and/or low dollar purchases that do not require detailed specifications.

Purchase Request (PR) - A form generated from the TRACKS e-Purchasing module, used to request the purchase of Operational Goods and Services.

DSHS Contract - A formal contract generated through the DSHS Agency Contract Database (ACD), which is a written agreement between DSHS and a contractor, used to provide specific terms and conditions related to the purchased Operational Service, which may include any exhibits, documents, and materials incorporated by reference.

Purchasing Coordinator - The identified person responsible for purchasing compliance within a DSHS HQ, Administration, RBC or CIBS. This person acts as a liaison between the CPU and their organizational grouping. This includes dissemination of CPU communications to management and staff, requesting e-Purchasing system access and location authority, and providing guidance and acting as a consultant with management to ensure purchases are in accordance with state laws, contracts, and policies.

Purchasing Representative - An identified person within a HQ, Administration, RBC, CIBS and/or Cost Center grouping(s), who works with Purchasing Coordinator(s) to initiate PRs and generate POs, for designated Locations/Offices.

Regional Business Centers (RBC) –The units that combine all of the administrations into one business center for each of the Department’s three regions.

Tracks E-Purchasing - The electronic purchasing and inventory system used within DSHS to track agency purchases and monitor fixed asset inventory.

Policy Requirements

- A. All HQ, Administrations, RBCs and CIBS must comply with the following requirements for all purchases of Operational Goods and Services, both Non-IT and**

IT:

1. Ensure purchases are within the DSHS limited delegated purchasing authority as set forth in the [DSHS Annual Purchasing Delegation Memo](#).
 2. Work with the Labor Relations office of Human Resources Division to ensure compliance with RCW 41.06.142 prior to contracting for any services that have been customarily and historically provided by employees in the classified service under RCW 41.06.
 3. Use the TRACKS e-Purchasing system or CPU approved Vendor system to process all purchases of Operational Goods and Services using a P-Card Order or Purchase Order.
 - Initiate a request for the purchase of all Operational Goods and Services using a Tracks e-Purchasing Purchase Request (PR), excluding purchases approved by CPU and processed through a Vendor system.
 - Obtain approvals for the PR through the Tracks e-Purchasing process.
 - Obtain additional Fiscal Officer, Division Director or designee approvals (when appropriate and needed) of a PR through Tracks e-Purchasing.
 - Convert the PR to a P-Card Order or Purchase Order (PO) through Tracks e-Purchasing.
 - Ensure performance based contracting language is inserted in all POs for Operational Services.
 - Ensure a PO, along with DSHS standard terms and conditions is issued to acquire Operational Services, to include Services paid for using a P-Card.
 4. Submit a purchase request via TRACKS e-Purchasing to CPU for all purchases exceeding an office's limited delegated authority, as outlined in the [DSHS Annual Purchasing Delegation Memo](#).
 5. Consider the risks and complexity of Operational Services, and/or the complexity of non-contracts Operational Goods, and consult with CPU when needed to determine if a PO or DSHS Contract is required to protect DSHS.
- B. For IT Operational Goods and Services, all HQ, Administrations, CIBS and RBCs must additionally ensure the following:**
1. Comply with all requirements listed in the [DSHS IT Standards Manual](#), prior to submitting the PR to CPU, or issuing a PO, including , but not limited to:
 - [Information Technology Acquisition Request \(ITAR\)](#)
 - [IT Standard 2.2 - Purchasing for Personal Computers](#)
 2. Receive IT Director and/or DSHS Chief Information Officer or designee approval when appropriate.

3. Comply with additional IT purchasing requirements and limited delegated authority as set forth in the [DSHS Annual Purchasing Delegation Memo](#).

C. All RBCs/CIBS and Cost Center Purchasing Coordinators must:

1. Comply with this Administrative Policy, the [DSHS Annual Purchasing Delegation Memo](#), and other DSHS purchasing requirements located on the CPU SharePoint.
2. After release of the [DSHS Annual Purchasing Delegation Memo](#), complete CPU refresher training.
3. Submit a completed Tracks access form to request access to the Tracks system.
4. Act as liaison between CPU and Purchasing Representatives within their Cost Center.
5. Keep a current list of Purchasing Representatives having access to the Tracks system and submit Tracks Access Requests, as necessary for changes or deletions.
6. Assign PRs to staff as required (CIBS and RBCs).
7. Initiate Purchase Requests (PR) in the Tracks system and generate Purchase Orders (PO) or generate POs from initiated PRs upon approval by supervisor or designated program staff, and/or Fiscal Officer and Division Director, when appropriate.
8. Ensure new purchasing staff attend training provided by CPU.
9. Ensure staff comply with purchasing rules and delegations.
10. Act as CPU's main point-of-contact for non-compliant issues.
11. Understand the Tracks E-Purchasing process.

D. All Purchasing Representatives must:

1. Comply with this Administrative Policy, the [DSHS Annual Purchasing Delegation Memo](#), and other DSHS purchasing requirements located on the [CPU SharePoint](#).
2. After release of the [DSHS Annual Purchasing Delegation Memo](#), complete CPU refresher training.
3. Initiate Purchase Requests (PR) in the Tracks system and generate Purchase Orders (PO) upon approval by supervisor or designated program staff, and/or Fiscal Officer and Division Director, when appropriate.
4. Communicate any issues or concerns with the RBCs/CIBS and/or Cost Center Purchasing Coordinator and keep the Coordinator apprised of changes, as necessary.

5. Follow guidance provided by RBCs/CIBS and Cost Center Coordinators.
6. Act as a resource for the field staff who initiate PRs.
7. Obtain necessary documentation for purchases, to include estimates, specifications, ITARS, etc.
8. Include performance based contracting language on all Purchase Orders requesting services.

E. The Central Purchasing Unit must:

1. Act as the DSHS liaison with DES for the acquisition of Operational Goods and Services as governed by [Chapter 39.26 RCW](#).
2. Act as DSHS procurement experts for Operational Goods and Services.
3. Respond to DES Risk Assessment to determine the risk of DSHS purchasing and procurement actions.
4. Determine limited delegated authority for DSHS Administrations, HQ, RBCs and CIBS, and annually release the [DSHS Annual Purchasing Delegation Memo](#).
5. Grant access to the Tracks e-Purchasing system after receiving appropriate approvals on a Tracks Access Form and confirmation that training is complete, unless waived by CPU.
6. Provide DSHS purchasing training for DSHS employees throughout the state; include specialized training upon request.
7. Manage the competitive procurement of Operational Goods and Services exceeding the limited authority delegated to DSHS Administrations, HQ, RBCs and CIBS.
8. Respond to customer inquiries on risky or complex Operational Goods and Services and determine if an office should process the acquisition under a Purchase Order or a DSHS Contract.
9. Monitor compliance with [Chapter 39.26 RCW](#), this Administrative Policy, the [DSHS Annual Purchasing Delegation Memo](#), and the CPU SharePoint purchasing rules and procedures on a daily basis through order review.
 - Communicate to the Purchasing Representative or Purchasing Coordinator and their supervisor any non-compliance issues.
 - Review purchasing staff level of understanding; assess the need for staff refresher training.
 - Track non-compliant purchases that may cause DSHS to be out-of

compliance with [RCW](#) and [DES Policies](#).

¹ Updated hyperlinks

Official DSHS