

CCS Administrative Procedure

5.30.05-H Purchasing Personal Services and Client Services

Implementing Board Policy [5.30.05](#)

Contact: Procurement Manager, 434-5325

1.0 Purpose

To define the procedures and methods for purchasing personal services and client services.

2.0 Limitations and Requirements

- 2.1 Institutions of higher education have been granted the independent authority to purchase the goods and services they require. [RCW 28B.10.029](#)
- 2.2 The State Legislature enacted SB5629 in 2002 that defines and regulates the personal service contracting process. [RCW 39.29](#)
- 2.3 The Office of Financial Management established administrative procedures for processing personal service contacts in the State Administrative and Accounting Manual (SAAM), [Chapter 15](#).
- 2.4 The Office of Financial Management established administrative procedures for processing client service contacts in the State Administrative and Accounting Manual (SAAM), [Chapter 16](#).
- 2.5 Regulations found in 2 CFR Subpart E – Cost Principles – General Provisions for Selected Items of Cost (§200.420-.475) are to be followed in determining allowable costs. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill and who are not officers or employees of CCS are allowable subject to the requirements in 2 CFR Subpart E-Cost Principles §200.459 Professional Service Costs.
- 2.6 CCS must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, CCS must make independent estimates before receiving bids or proposals. See [2 CFR §200.324 \(a\)](#).

3.0 Definitions

- 3.1 “Personal services” are services requiring professional or technical expertise provided by an independent contractor to accomplish a specific study, project, task, or other work statement. This term does not include purchased services. [RCW 39.29.006\(7\)](#)
- 3.2 “Purchased services” are services provided by a vendor to accomplish routine, continuing and necessary functions. This term includes, but is not limited to, services acquired for equipment maintenance and repair, laundry service, automobile repair service, landscaping service, et al. CCS administrative procedures for these services are found in 5.30.05-F Purchasing Goods, Equipment, Supplies and Routine Services. [RCW 39.29.006\(9\)](#)
- 3.3 “Client services” are services that require professional, technical or artistic expertise that are delivered directly to the students and other clients of CCS. They are exempt from the special requirements of personal service contracts. Examples of client service contracts are musical entertainment or medical treatment provided to students. [RCW 39.29.040\(6\)](#)

4.0 Mandatory Training

Due to the complexity of legislation and regulations concerning personal service contracting and client service contracting, the State Legislature requires that all employees who manage these contracts receive special training conducted by the Office of Financial Management. [RCW 39.29.120\(1\)](#); [SAAM 15.10.55.b](#).

4.1 “Managing” personal service contracting is defined as providing technical assistance to contractors, monitoring job performance, and reviewing/approving invoices for such work. [SAAM 15.10.55.b](#)

4.2 CCS employees may not manage personal service contracts before she or he has completed the required training. [RCW 39.29.120\(1\)](#)

4.2.1 Such training is currently required only once in the employee’s career. The Purchasing Manager will provide notice of training opportunities for all CCS employees and facilitate periodic local training when feasible.

4.2.2 The Office of Financial Management maintains a register of all state employees who have completed this training requirement.

5.0 Special Restrictions for Proposed Contractors

5.1 Current employees of CCS, or people who have been employed by CCS within the current calendar year in all job classifications (including part-time employees, adjunct faculty, work/study students, volunteers with unique circumstances, et al.) may not be engaged through personal service contracts, purchased service contracts or client service contracts.

5.1.1 Administrators desiring to engage such personnel should contact the CCS Human Resources Department for assistance in the appropriate process.

5.1.2 The appropriate process will vary depending upon the employee’s classification.

5.2 Current employees of the State of Washington in all other agencies, institutions and colleges must obtain approval from the State Executive Ethics Board prior to receiving service contracts from CCS.

5.2.1 Information regarding approval from the State Executive Ethics Board may be obtained on its website www.ethics.wa.gov

5.2.2 Due to the nature of the information requested by the State Executive Ethics Board to process a request by an employee to contract with another agency, the employee must prepare and submit the application for approval. CCS will assist the employee by providing a copy of the proposed contract for submittal.

5.2.3 Further, if a current state employee enters into a contract with a state agency and the contract is competitively bid and the only bid received is from the state employee; or, if the contract is not competitively bid, the state employee must receive the prior approval of the State Executive Ethics Board. The state employee must file the contract with the State Executive Ethics Board within thirty (30) days of contract approval. [RCW 42.52.120](#)

5.2.4 For purposes of compliance with this section, the State Executive Ethics Board has determined that public school employees (K-12) are not subject to this requirement.

5.3 Former employees of the State of Washington may not accept employment or compensation from an employer within one year of leaving state employment if:

5.3.1 for two years prior to leaving the state, the employee negotiated one or more state contracts with the prospective employer;

5.3.2 the value of the contract or contracts was more than \$10,000; and,

5.3.3 the duties for the new employer include implementing or fulfilling contracts negotiated or administered while a state employee. [RCW 42.52.080](#)

- 5.3.4 Further, a former state employee may not have a beneficial interest in a contract that was expressly authorized or funded by executive action in which the employee participated for a period of two years after leaving employment of the state (A beneficial interest is the right to enjoy profit, benefit or advantage from a contract). [RCW42.52.080\(2\)](#)
- 5.3.5 Further, a former state employee has a continuing post-state employment restriction prohibiting him or her from assisting others in any transaction with the state if he or she participated in the transaction while a state employee. [RCW 42.52.080\(5\)](#)

6.0 Processes

- 6.1 CCS may not enter into contracts for services that constitute work regularly, traditionally or historically performed by state employees unless there is specific legislative authority to do so. Contact the CCS Human Resources Department for assistance in reviewing the proposed scope of work of this nature.
- 6.2 Sole source personal service contracts of \$5,000 or more, regardless of the source of funds, shall be posted in the Department of General Administration's "WEBS" system for a minimum of five (5) business days prior to execution of the contract. [SAAM 15.20.60](#), [RCW 39.29.018](#)
- 6.3 Sole source personal service contracts of \$20,000 or more, regardless of the source of funds, *in addition to the process described in 6.2, above*, shall also be advertised in a regional newspaper for at least one (1) day. The public shall be given at least five (5) business days to respond to the published notice. [SAAM 15.20.60](#), [RCW 39.29.018](#)
- 6.3.1 The appropriate administrator shall prepare a separate purchase requisition for the publication of such notice.
- 6.3.2 The purchase requisition shall be submitted to the Purchasing Department for processing.
- 6.4 Administrators desiring to purchase personal services or client services must prepare a purchase requisition and attach a [Personal Services Contract Worksheet](#). The documents must be forwarded to the Purchasing Department for processing.
- 6.4.1 No work under a proposed contract may commence before the issuance of a contract document or purchase order, as appropriate, by the Purchasing Department. It is inappropriate for any other party to attempt to authorize such work in the absence of properly completed contracts.
- 6.4.2 Due to requirements for approval by the State Ethics Board and/or the approval by the Office of Financial Management (see section 7.0 below) in certain circumstances, departments should allow four to six weeks processing time after submitting completed documents to the Purchasing Department.
- 6.4.3 Upon receipt of purchase requisitions for personal services or client services, the Purchasing Department will verify the eligibility of proposed contractors with the Payroll Department for compliance with restrictions against employment in the current tax year and eligibility for employment against restrictions from the Department of Retirement Services.
- 6.5 Administrators desiring proposed client service contracts that include work elements of instruction, training or delivery of curriculum must obtain the prior written approval by a representative of the Association for Higher Education (AHE) and submit such approval with the purchasing documents. The Procurement Manager will return any such proposed contracts that do not contain AHE approval to the appropriate administrator unprocessed.

7.0 Filing Requirements

- 7.1 The Procurement Manager or designee will perform the appropriate contract filing or reporting to the Office of Financial Management with information supplied by the appropriate administrator through the purchase requisition, personal service contract worksheet, or supplemental information request.
- 7.2 The contractor shall not commence any work under the proposed contract, nor be directed to do so by CCS personnel, until final approval has been granted by the Office of Financial Management.
- 7.3 The Procurement Manager will transmit notice of approval to the appropriate administrator and the contractor with authorization to commence work.

8.0 Annual Contract Procedures Report

- 8.1 The Procurement Manager or designee will file an annual report with the Office of Financial Management detailing the procedures that CCS has employed in entering into, renewing and managing client contracts by January 31 of each year. [RCW 39.29.110](#)
- 8.2 The Procurement Manager or designee will report appropriate personal service contracts that otherwise have not been previously filed with the Office of Financial Management by September 30 of each year.

9.0 Penalties for Violation

- 9.1 A state officer or employee who knowingly violates Chapter 39.29 is subject to a civil penalty of \$300. [RCW 39.29.020](#)
- 9.2 CCS employees who violate these procedures may be subject to further disciplinary action as appropriate.

10.0 Related Information

- 10.1 Personal Services Contract Worksheet, [CCS #2728](#)
- 10.2 Purchasing Department web page – [Personal Service Contracts](#)
- 10.3 [RCW 28B.10.029](#) – Property purchase and disposition
- 10.4 [RCW 39.29](#) – Personal service contracts
- 10.5 [RCW 42.52](#) – Ethics in public service
- 10.6 [SAAM Chapter 15](#) – Personal service contracts
- 10.7 [SAAM Chapter 16](#) – Client Service Contracts
- 10.8 [State Executive Ethics Board website](#)
- 10.9 2 CFR Subpart E -Cost Principles - General Provisions for Selected Items of Cost §200.420-475