I. Purpose
This policy is for Goods and Services for the direct use by and benefit of King County, not Capital Projects or Professional Services, and identifies thresholds, recommends alternatives to purchasing, enforces uniformity to ensure compliance, timeliness, adherence to budget, and supports Small Business Accelerator.

The purpose of this policy is to:

A. Provide an efficient, centralized process for the County’s procurement of goods and/or services and leasing of equipment.

B. Clarify applicable purchasing rules based on total cost thresholds.

C. Meet agency goals while considering efficient, affordable alternatives to the outright purchase of equipment.

D. Support compliance functions to ensure the necessary project controls are in place to produce quality procurement on time and within budget, and to ensure the County agencies are ready for any County, State, and Federal Auditing procedures.

E. Support uniformity across County policies, County Code, State, and Federal laws.

F. Establish uniform, clear and concise contracting and Solicitation rules for the Small Business Accelerator.

G. Establish guidelines for the P-Card Program to ensure the use of P-Cards complies with the applicable procurement and contracting requirements and all applicable state/federal laws and regulations.

Applicability and Audience
This policy applies to the Administrative Offices and Executive Branch Departments supervised by the King County Executive. The audience may also include any King County non-Executive Branch Departments adopting this policy.
II. Definitions

"Agency" or "IA" means implementing agency for any King County executive department, division, section or office.

"Authorized Personnel" means those employees given signature authority for certification of payments by the respective elected official, department director, agency head or division manager.

"BDCC" means the Business Development and Contract Compliance Unit of the Finance and Business Operations Division (FBOD).

"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.

"Capital Project" refers to a project with a scope that includes one or more of the following elements: acquisition of a site and/or existing structure, program or site master planning, design and environmental analysis, design, construction, major equipment acquisition, reconstruction, demolition or major alteration of a capital asset. A capital project shall include a project management plan, scope, budget, and schedule. A Capital Project may be part of a larger program. One project may include multiple contracts.

"Contract" means a mutually binding legal relationship or any modification thereof obligating a person, firm, corporation, partnership or group to provide tangible personal property or tangible goods and/or services to the County, and governmental agency, which therefore obligates payment by the County.

"Direct Buy" means a total purchase of $10,000 or less per cost center/org of like goods and/or services with the same supplier within a calendar year.

"Directory of Certified Small Contractors and Suppliers" means the directory of businesses certified by King County as meeting the eligibility criteria for participation in King County's Contracting Opportunities Program.

"Exemption" means those purchases exempt from public procurement requirements of County.

"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.

"Goods & Services Procurement Guide" refers to the established procedures established and maintained by P&P for Goods and Services procurements and contracting.

"Grant Funds" means any money, or property in lieu of money, paid or furnished by Federal, State, or local government or by foundations or corporations under programs that provide financial assistance through grant or contractual agreement.
"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-Card" means a credit card issued by King County for the business transactions allowed under the P-Card program.

"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.

"Professional Services" are those services provided by licensed or certified individuals or consulting firms associated with the development, design, and/or construction of a public works or a real property project.

"Purchase Order" means a document authorizing the purchase of goods and/or services from a specified supplier.

"SCS" means a Small Contractor and Supplier who has applied for participation in King County's Contracting Opportunities Program and has been certified by the King County BDCC office. A Small Contractor or Supplier is a business that is in a financial condition that puts the business at a substantial disadvantage in attempting to compete for public contracts.

"Service Request" means a request for service submitted to P&P through a system provided for this purpose.

"Services" means, except for Professional 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 procurement 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.

III. Policy

A. Rules for the Procurement and Administration of Goods and Services Contracts

1. Competitive contracting helps to ensure the best value for purchases and the best use of public funds.

2. Procurement & Payables (P&P) shall provide centralized procurement services for the procurement of goods and services (G&S).
3. P&P shall establish and maintain procedures for the procurement and cost analysis of G&S.

4. P&P shall establish and maintain boilerplate and the Goods and Services Procurement Guide, which may include procurement procedures, processes, templates, and best practices that Agencies shall follow.

5. Goods and Services shall be purchased in a manner that complies with State law, King County Code, and all applicable ordinances and directives including applicable federal requirements.

6. Recycled/recyclable products shall be procured and used by all offices, divisions, departments, and agencies wherever practicable.

B. Source Funds
   1. All procurements shall comply with funding source requirements. Agencies shall specify the source of contract funding in accordance with P&P procedures.
   2. Federal Funds
      a. See CON 7-23 Section III.C.7 and Section VI for additional information on Federal Fund usage.
      b. Purchases must follow Federal, State, KC code, and local ordinances and directives as well as FIN 10-1-1. The Director of FBOD establishes guidelines and procedures in compliance with Federal regulations, RCWs, KCC, KC Policy and any applicable requirements.
      c. This policy and its revision shall take precedent over agency-specific procurement policies, procedures, best practices, and standard work.

C. Solicitation for Goods and Services is based on the following financial thresholds. These amounts include all charges, including shipping but excluding tax.
   1. Purchases less than $10,000
      a. Direct Buy procedures shall be used. Purchases shall not be artificially divided so as to constitute a direct buy.
   2. Purchases $10,000 - $50,000
      a. 3-Quote procedure is required.
   3. Purchases greater than $50,000
      a. A formal Solicitation procedure is required.

D. Exceptions to Procurement Requirements
   1. The following categories of purchases are exempt from the procurement requirements of King County and may be purchased by a designated King County employee who is currently authorized by their Department Director.
      a. Direct Buys.
      b. Purchases where the County's liability is cited in law, County contract/agreement, court order or Council motion with either (a) terms or payee specified by same, or (b) if either or both are not specified, their determination is not subject to the control of the Chief Procurement Officer. Such purchases include, but are not limited to:
i. Housing and Community Development trust funds disbursed on behalf of homeowner in accordance with grant terms.

ii. Public Safety towing and storage charges paid under the official County impoundment ordinance.

iii. Medical services/goods covered by Workers' Compensation law (RCW 51.36), LEOFF 1 and 2 (RCW 41.26).

iv. Witness travel and living costs for Prosecuting Attorney (RCW 2.40.010 - 030).

v. Court reporter service and transcription fees (RCW 2.32.210 - 240).

vi. Payments for the Prosecuting Attorney's conduct of defense in County litigation (RCW 36.27.020).

vii. Travel and living expense of employees and non-employees per official policy and law (RCW 42.24).

viii. Office of Emergency Management grant funds dispersed to cities, counties, fire and emergency response agencies, special purpose districts or other such political subdivisions in order to perform regional Homeland Security requirements.

c. Purchases of a nature which do not lend themselves to the competitive procurement process including, but not limited to:

i. Utilities such as water, sewer, electricity, and local telephone.

ii. Postage, shipping charges, permits, fees, tolls and licenses.

iii. Foster care, training and professional services for the physical or mental care of persons in the custody or care of a King County agency.

iv. Registration/tuition for standardized training classes or seminars.

v. Memberships and contributions.

vi. Services of "assigned counsel" for the Office of Public Defense, appointed under authority of Superior and District Courts.

vii. Real property option payments, earnest money, purchases and related costs administered by the Facilities Management Division or those administered by the Department of Natural Resources and Parks for the Water Pollution Control Division or those administered by Metro for itself.

viii. Right-of-way purchases by Metro.

ix. Publications and subscriptions such as periodicals and newspapers.

x. Allowance or employer reimbursement payments made to non-employees under on-the-job training contracts.

xi. Parks Division payment to exhibitors/entertainers at County-sponsored events.
xii. Veterinary costs for dogs performing service work for the County or animals under the custody of King County.

xiii. Childcare payments (e.g., clothes, rent) under Employment and Education Resources Program "Support Services Purchase Approved Letter" [Private Industry Council (PIC)/Job Training Partnership Act (JTPA) Directive #4, 5].

xiv. Juvenile Division purchases for clothing and related items for persons in probation status or otherwise involved in the criminal justice system.

xv. Taxi Script.

xvi. Media/advertisement.

xvii. Public transportation services across waterways.

xviii. Costs incurred by Superior Court for legal, mediation, arbitration, investigation, juvenile psychological/psychiatric evaluation and/or therapy services, and other services obtained by the court pursuant to local rules and/or court order.

d. All exempt purchases must be paid pursuant to Executive Policy FIN 10-1-1 (AP), Cash Disbursements and Accounts Payable Payment Processing. An exemption from procurement requirements under this policy is not an exemption from standard payment processes.

E. Responsibilities for FBOD and P&P
1. Per KCC chapter 2.93, any purchase less than $10,000 will be allowed per Chief Procurement Officer.
2. P&P shall evaluate commodity purchases and determine a strategic sourcing plan.
3. P&P shall manage and conduct a proactive sourcing strategy including spend analysis and managing off-contract purchases.
4. P&P is responsible for authorizing agencies to make purchases and payments using the P-card as authorized through CON 7-16-2.
5. P&P shall conduct all Solicitations including 3-Quotes, Invitations to Bid, Requests for Proposals, and Requests for Qualifications.
6. P&P shall administer contracts that have been awarded through Solicitations.
7. P&P shall use all procurement tools available including cooperative purchasing with other public agencies.
8. Analysts from the Financial Management Section are responsible for assisting Agencies perform lease versus purchase cost analysis.
9. P&P shall facilitate all bid and proposal evaluations completed by the Agency.

F. Responsibilities for Agencies
1. All agencies shall follow the solicitation and award process for all purchases, determined by type of purchase and threshold.
2. All applicable Agencies will comply with this policy, and Directors are responsible for informing their employees of this policy.

3. Agencies are responsible for cooperating with Procurement & Payables to ensure that commonly purchased commodities are managed through a proactive sourcing strategy.

4. Agencies shall use countywide contracts wherever possible to reduce cycle time, leverage buying power, and eliminate redundant solicitations.

5. The Agency shall develop and provide Procurement & Payables with available information reasonably necessary for open, competitive solicitation(s), including, but not limited to, product or service specifications, scopes of work, pricing estimates, salient characteristics and any other information necessary to produce accurate Solicitation documents.

6. The Agency shall submit a Service Request to Procurement & Payables for all support required or available under this policy or King County Code.

7. Participate in the evaluation of bids and proposals resulting in a recommendation for award.

G. P-Card Use and Responsibilities

1. Cardholder Eligibility: Only a full-time regular, part-time regular, provisional, probationary, Term Limited Temporary (TLT), or appointed employee of King County, as designated by the Director, may be issued a P-Card. Each Cardholder must sign a Cardholder Agreement and receive training before receiving a P-Card. The King County P-Card will bear the Cardholder's name and will not be transferable between individuals, county employees or departments.

2. Purchase Limits: The standard Cardholder per transaction limit is set at $10,000; the monthly standard limit is $40,000. A Director/Manager or designee may impose a higher or lower limit on a temporary or permanent basis as deemed necessary for a Cardholder's ongoing business needs. Examples of purchases that should be made by P-Card where it is accepted are:

   a. Single purchases totaling less than $10,000.
   b. Purchases of a nature that do not lend themselves to a competitive procurement process or issuances of a purchase order/contract in accordance with Section III of this Policy.
   c. Payments for established contract purchases for services and consumable goods. This may exceed $10,000 when within transaction limits for each P-card holder. It is the Cardholder's responsibility to verify contract pricing.
   d. P-Card per transaction and monthly credit limits for acquisition of goods and services for emergency response, recovery operations or unanticipated events will be set by agencies and may be adjusted only by the King County Finance and Business Operations Division, Procurement and Payables Section as determined by agency request or demonstrated need.

3. Cardholder Liability: P-Cards are for authorized purchases on behalf of King County within stated guidelines of the P-Card Manual as well as
King County Procurement Policies and Procedures. P-Cards must not be used in any manner listed below:

a. Splitting purchases to circumvent the daily or monthly purchase limits on a card or to avoid competitive bidding limits or purchasing authority limits

b. Cash Advances or ATM Withdrawals

c. Purchases from any merchant, product, or service that is normally considered an inappropriate use of King County funds, such as:
   i. Items for personal use
   ii. Materials or services from any member of the Cardholder’s immediate family
   iii. Alcoholic beverages

4. Required Documentation & Record Retention: The Cardholder is responsible for obtaining and managing original receipts, order confirmations, or any other supporting documentation for any purchase made with a P-Card. Documentation must refer to corresponding expense reports.

5. Audit: All P-Card transactions and program paperwork are subject to review by the Finance and Business Operations Division staff, as well as internal and external auditors for compliance with King County Procurement and Payables policies.

H. Contract Amendments

1. Agencies will issue amendments to document and execute contract changes.

2. P&P staff shall review and approve amendments prior to execution that result in the following:
   a. Increases in contract value.
   b. Extensions to the contract term.

3. Agencies will send all amendments to P&P immediately after execution.

I. Compliance

1. All contracts are subject to review by P&P. Contracts, and amendments resulting in value increases or term extensions, shall be reviewed by to ensure compliance with the original specifications and scope, terms, conditions, contract value, RCWs, KCC, Policy and any applicable requirements, including Federal.

J. Equipment Lease Evaluation

1. The Director of the Department of Executive Services or designee is designated the responsible official for administration, evaluation and final approval of proposed equipment lease agreements and/or lease/purchase agreements for equipment.

2. Prerequisites for Leasing
   a. One or more of the following conditions must exist as a prerequisite to the lease of equipment:
      i. Provides use of an asset not otherwise available; or
      ii. Meets the temporary use of equipment; or
      iii. Provides buying and servicing advantages not otherwise obtainable; or
iv. Shifts the risks of ownership; or
v. Realizes an economic advantage through leasing.

K. Small Business Accelerator
1. King County supports small businesses through equitable practices like the Small Business Accelerator, as authorized in King County Code 2.97, and to solicit and award these contracts to Certified Small Contractors and Suppliers.
2. The Director of FBOD determines when it is in the best interest of the County to designate contracts for procurement through the Small Business Accelerator process.
   a. Ensures Small Contractors and Suppliers have equitable opportunities to compete for designated services contracts as prime contractors.
   b. P&P will manage and execute this process.

IV. Implementation Plan
A. This policy becomes effective for Executive Branch agencies on the date that it is signed by the Executive. The Department of Executive Services Finance and Business Operations Division is responsible for implementation of this policy.
B. The Department of Executive Services is responsible for communicating this policy to the management structure within their respective agencies and other appropriate parties.
C. Implementing Agency directors are responsible for ensuring that their staff follow this procurement administrative policy.

V. Maintenance
A. This policy will be maintained by Department of Executive Services Finance and Business Operations Division 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 Department of Executive Services Finance and Business Operations Department or its successor agency prior to the expiration date.

VI. Consequences for Noncompliance
A. 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. Noncompliance may result in the subject employee being required to attend specific training related to the area of noncompliance.
B. 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:
Appendix 1. Link to Goods & Services Procurement Guide