

Administrative Policy No. 13.10

Subject:	Central Contracts and Legal Services (CCLS)
Information Contact:	Chief, Central Contracts and Legal Services Contracts, Legal, and Background Checks Division Facilities, Finance, and Analytics Administration MS 45811 (360) 664-6071 http://one.dshs.wa.lcl/fs/oss/ccs/
Authorizing Sources:	Chapter 39.26 RCW , Procurement of Goods and Services Chapter 39.34 RCW , Interlocal Cooperation Act RCW 41.06.142 , State Civil Service law, purchasing services by contract Chapter 43.19 RCW , Department of Enterprise Services Chapter 43.105 RCW , Office of the Chief Information Officer (OCIO) State Technology Manual, Office of the Chief Information Officer Policy No. 121 Centennial Accord between the Federally Recognized Indian Tribes in Washington State and the State of Washington
Effective Date:	August 1, 2000
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Approved By:	<u>Original signed by Lori Melchiori</u> Senior Director, Office of Policy and Rules

Purpose

This policy identifies the general process of developing Department of Social and Health Services (DSHS) contracts within the scope defined below. This policy, and any procedures or guidelines referenced, is intended for internal use only. This policy is not intended, nor can it be relied upon, to create any substantive or procedural rights enforceable by any party involved in matters with DSHS.

Scope

This policy applies to all organizational units of DSHS in the conduct of actions subject to the “Authorizing Sources” listed above, including:

- Client service contracts
- Professional services contracts
- Contracts for information technology services
- Operational contracts other than purchase orders
- Interlocal agreements
- Intergovernmental agreements, including those with Indian tribes or nations
- Amendments or change orders to any of the above mentioned types of contracts

This policy also applies to:

- Data sharing agreements reviewed by the chief information security officer.
- Contracts that are titled Memoranda of Understanding (MOUs) or Service Level Agreements (SLAs) wherever the terms of such agreements fit the definition of a client service, professional service, IT service, Interlocal, intergovernmental or data sharing agreement.
- Other contracts as assigned by the chief financial officer or executive management.

Purchase of operational goods and non-IT operational services by purchase order are governed by [Administrative Policy 13.08](#).

Additional Guidance

- [RCW 43.10.030\(6\)](#), Attorney General, General Powers
- [Administrative Policy 10.06, Vendor and Contractor Investigations](#)
- [Administrative Policy 13.11, Monitoring Contractor Performance](#)
- [Administrative Policy 13.12, Competitive Solicitations](#)
- [Administrative Policy 13.13, Insurance Requirements for Contracts](#)
- [Administrative Policy 13.16 Performance-Based Contracting](#)
- [Administrative Policy 13.23 Identifying Business Associate and Business Associate Program Agreements](#)
- [Administrative Policy 13.24 Contract Change Orders](#)
- [Administrative Policy 13.25 Vendor Agreements and Non-Standard Contracts](#)
- [“The DSHS Guide to Contracting”](#)

Definitions

Administration means the responsible DSHS administration, division, office, program, or similar organizational entity.

After-the-fact contract execution means a contract that DSHS staff signed **after** DSHS paid for services or after the contractor began work.

Agency contracts database (ACD) is the system used by DSHS for producing, tracking, and monitoring all DSHS contracts for goods and services (other than Purchase Orders for Operational goods and services addressed by [Administrative Policy 13.08](#)), client services, data sharing, and Interlocal (interagency) and Intergovernmental contracts and agreements. All contracts within the scope of this policy must be recorded and either created in or uploaded to the ACD.

Central contracts and legal services (CCLS) means the statewide DSHS headquarters contracting office in the Facilities, Finance, and Analytics Administration (FFAA), Contracts, Legal, and Background Checks (CLBCS) Division.

Chief financial officer (CFO) means the individual at the head of the Facilities, Finance, and Analytics Administration reporting directly to the secretary, with executive authority responsible for all DSHS statewide agency policies and procedures pertaining to contracts under this policy.

Chief information officer means the individual in the enterprise technology division (ET) with executive authority responsible for information technology.

Chief information security officer (CISO) means the individual in the DSHS enterprise technology division (ET) who is responsible for the administration of the DSHS information technology (IT) security program, including IT security and disaster recovery.

Client service contract means a contract for services provided directly to agency clients. (RCW 39.26.010(5))

Competitive contracting means the process outlined in [RCW 41.06.142](#) by which classified employees may compete with businesses, individuals, nonprofit organizations, or other entities for the performance of services those employees have customarily and historically performed.

Competitive solicitation means a formal, documented, and open competitive process for soliciting bids or proposals from potential contractors and culminating in a selection based on predetermined criteria ([RCW 39.26.010](#)). Competitive solicitations may be used to solicit goods or services and may be referred to as [Requests for Proposal \(RFPs\)](#), [Requests for Qualifications and Quotations \(RFQs\)](#), [Requests for Qualifications \(RFQs\)](#), or [second-tier Work Requests](#).

Contract is a legally binding written agreement between DSHS and another entity, public or private, for the provision of goods or services or for purposes of data sharing. Terms such as memorandum of understanding (MOU) or service level agreement (SLA) may also be used to refer to contracts falling within the scope of this policy.

Contract format means an electronic or hard copy contract template developed and/or approved by CCLS. A contract format includes but is not limited to: data elements with general information (for example, the name of the contractor, start and end dates of the contract, and the total maximum consideration of the contract), general terms and conditions, and special terms and conditions. All approved contract formats are available in the ACD for use by authorized staff.

Contract management means any activity performed by DSHS staff on a day-to-day basis related to contracting for services. Such activities include, but are not limited to decisions related to contracted services; contractor selection and screening; and contract preparation, coordination, and monitoring.

CCLS chief means the individual in central contracts and legal services with oversight authority for DSHS statewide agency contracting procedures under this policy.

Data sharing agreement means an agreement or contract between DSHS and one or more external entities for the sharing and safeguarding of electronic data.

Division director means the DSHS division director, or functional equivalent, with managerial oversight authority and responsibility for contracting staff and processes in a given administration.

Interlocal agreement means a contract or agreement between DSHS and any other public agency, political subdivision, or unit of local government of this state including, but not limited to: municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any agency of state government; any agency of the United States; and any political subdivision of another state. An Interlocal agreement may be used to acquire goods or services, or both. Any agreement with a federal government agency that governs DSHS receipt of a federal grant qualifies as an Interlocal agreement. [Chapter 39.34 RCW](#), Interlocal Cooperation Act, governs Interlocal agreements.

Intergovernmental agreement means a contract or agreement between DSHS and a federally recognized tribal entity eligible for funding and services from the Bureau of Indian Affairs by virtue of their status as Indian tribes. [Information for Tribes as Potential Medicaid Contractors](#)

Key contract coordinator means the individual(s) designated by the division director responsible for contracting in a given Administration to be the liaison between the administration and CCLS. The key contract coordinator has specific, direct responsibilities for DSHS contracting processes that are identified under [A.5.of this policy](#).

Operational goods and services means the materials, equipment, supplies, and services

necessary to accomplish routine, continuing, and necessary day-to-day business operations. See [Administrative Policy 13.08](#) for additional information.

Secondary level of competition, or 2nd Tier process, means the second level of a two-tiered, competitive process for certain goods and services available under a primary contract with the Department of Enterprise Services for use by state agencies. In level one, vendors are selected for inclusion on a prequalified list. The second level is a competitive process for only those vendors who are on the prequalified list.

Signing authority means the authority to sign contracts within the scope of this policy on behalf of DSHS.

Policy

The secretary, under authority in [Chapter 39.26.090 RCW](#) as delegated by the director of the Department of Enterprise Services, and under authority in [Chapter 43.105 RCW](#), as delegated by information technology [Investment Policy No. 121](#) of the Office of the Chief Information Officer (OCIO), delegates authority to the CCLS chief and CCLS to sign contracts on behalf of DSHS. The CCLS chief may sub-delegate signing authority to department staff who meet the requirements of this policy.

The CCLS chief and CCLS are authorized to establish and enforce statewide agency: procurement and contracting policies and procedures; minimum standards for staff with sub-delegated authority to sign contracts; minimum training requirements for staff who prepare, sign and/or monitor contracts; and standards for contract form and content, including general terms and conditions.

- A. **Contract management.** CCLS establishes and maintains statewide agency contracting procedures and requirements in the "[DSHS Guide to Contracting](#)". CCLS develops and revises the "Guide" with input from the key contract coordinators. The "Guide" is available on the CCLS intranet website at <http://one.dshs.wa.lcl/FS/OSS/CCS/>.
1. CCLS is responsible for:
 - a. Establishing and ensuring compliance with statewide agency contracting law, policies and procedures concerning contracts subject to this policy.
 - b. Administering the agency contracts database (ACD).
 - c. Providing guidance, consultation, and technical assistance to administrations related to contract management practices in order to ensure compliance with applicable contracting law, regulations, policies, and procedures.
 - d. Coordinating the development of and controlling general terms and

conditions for all DSHS contracts and approving any modifications to the general terms and conditions.

- e. Creating and approving contract formats for use by authorized DSHS staff in developing contracts subject to this policy.
- f. Loading approved contract formats onto the ACD.
- g. Reviewing, approving, and executing all contracts:
 - For goods and services for more than \$30,000, or \$40,000 if purchase is from a small business or from a certified veteran-owned business;
 - For the Office of the Secretary (OOS);
 - For the Facilities, Finance and Analytics Administration (FFAA);
 - For offices in the Contracts, Legal and Background Checks Division (CLBCS); and
 - With outside entities where the contract includes more than one DSHS Administration as a party.
- h. Final DSHS review and approval on language developed by Administrations for preapproved and semi-custom contract formats.
- i. Reviewing and executing:
 - All default terminations for all Administrations;
 - Terminations for convenience if requested by key contract coordinators; and
 - Terminations or suspensions due to changes in funding if requested by key contract coordinators.
- j. Controlling access to the ACD and sub-delegating signing authority for contracts under this policy. ([See C. Signing Authority](#) below.)
- k. Ensuring IT-related service contracts are in compliance with applicable policies of the Department of Enterprise Services, the Office of Financial Management, the Office of the Chief Information Officer, and DSHS IT-related policies, including the DSHS IT Standards Manual and the DSHS Information Security Policy Manual.
- l. Providing legal review and assistance regarding contract management, contract monitoring, and other contracting matters to administrations. (Note: In situations requiring legal advice or opinions, CCLS encourages Administrations to contact assigned counsel at the Office of the Attorney General.)
- m. Coordinating and assisting administration staff with the resolution of contracting issues that cross Administrations.
- n. Managing and conducting all competitive procurements, including secondary levels of competition for professional services.
- o. Managing and conducting competitive procurements for client

- services when requested by the administration to do so.
- p. Managing and conducting all competitive procurements for information technology related goods and services.
 - q. Serving as the DSHS liaison with the Department of Enterprise Services, the State Auditor's Office, and other state agencies on contracting matters within the scope of this policy.
 - r. Providing training to DSHS staff on contracting. (See [E. Training](#) below.)
 - s. Providing reports based on data from the ACD regarding after-the-fact contract executions upon request of the Administration ([See F. After-the-Fact Contract Executions](#) below.)
2. The DSHS chief information officer is responsible for approving, prior to contracting, all [Information Technology Acquisition Requests \(ITARs\)](#) for IT acquisitions.
 3. The chief information security officer is responsible for reviewing and approving data sharing agreements and formats to ensure compliance with the [DSHS Information Security Policy Manual](#).
 4. Division directors are responsible for:
 - a. Designating key contract coordinators. Each administration must designate at least one employee as the key contract coordinator, who is the liaison between the administration and CCLS. The designation must be submitted to CCLS in writing and signed by the division director responsible for contracting in that administration.
 - b. Requesting and approving signing authority that is sub-delegated by CCLS to employees in his or her Administration. ([See C. "Signing Authority"](#) below.) Division directors may delegate this function to their appointed key contract coordinator.
 - c. Approving exceptions to [section F. After-the-Fact Contract Executions](#) below.
 5. DSHS key contract coordinators are responsible for providing guidance and support to staff in their Administrations and:
 - a. Following this policy and all related policies identified in the ["Additional Guidance"](#) section above.
 - b. Following contracting procedures and guidance established by CCLS in the ["Guide to Contracting."](#)
 - c. Ensuring that administration staff receive information presented and discussed at all key contract coordinator meetings facilitated by CCLS.
 - d. Ensuring the general terms and conditions developed by CCLS are incorporated into all DSHS contracts.
 - e. Ensuring administration contracts subject to this policy are developed in accordance with this policy.

- f. Ensuring that contract terms are approved by CCLS and that contract documents are recorded properly in the ACD before agreeing to contract terms or using contract templates that have been developed by outside agencies or entities.
- g. Drafting, in collaboration with CCLS, preapproved and semi-custom contracts for final approval by CCLS.
- h. Ensuring DSHS contracts staff in their administration complete required training courses prior to ACD Access setup.
- i. Ensuring the ACD access level of all DSHS contracts staff in their administration are accurate and reflects current role.
- j. Ensuring the DSHS contracts staff in their administration are using the ACD to create and record all contracts subject to this policy.
- k. Developing, reviewing, approving and executing Interlocal agreements on behalf of the administration that the key contract coordinator represents and maintaining related records.
- l. Developing, reviewing, approving, and executing client service contracts and maintaining related records.
- m. Developing, reviewing, approving, and executing "\$30,000" and under contracts for services and maintaining related records.
- n. Developing, reviewing, approving, and executing "\$40,000" and under contracts for services purchased from a small business (See [Administrative Policy 13.12](#)) as defined in RCW [39.26.010](#), or from a certified veteran-owned business, and maintaining related records.
- o. Obtaining CISO review and approval of data sharing agreements whenever the language of the agreement related to data sharing varies from the standard ACD formats that have been preapproved by the CISO.
- p. Ensuring all IT related professional service projects are approved by the DSHS CIO and documented through the ITAR process criteria.

B. Competitive contracting

Under RCW [41.06.142](#), DSHS may competitively contract for services that state employees have customarily and historically provided. Administrations and CCLS must work together to ensure that requirements of the statute are consistently met.

1. Before contracting for any new service, or modifying the scope of existing services, the responsible administration must conduct an analysis of the service to be contracted to determine whether the service has been customarily and historically provided by employees in classified service.
2. When the responsible administration determines that the service is or has

been customarily and historically provided by employees in classified services, CCLS shall conduct the competitive procurement required by [RCW 41.06.142](#). (See also [Administrative Policy 13.12, Competitive Solicitations](#))

C. Signing authority

1. Subject to conditions in this section, the CCLS chief sub-delegates signing authority on behalf of the secretary to qualified administration staffs to meet the business needs of the administrations as deemed appropriate by the division director(s) and key contract coordinator(s).
2. Signing authority for contracts subject to this policy is sub-delegated by granting staff a particular access level in the ACD. Access levels and their corresponding levels of authority are described [here](#) on the [CCLS Intranet Website](#).
3. All DSHS staff creating, managing, signing or monitoring contracts subject to this policy must complete contracts training required by statute and CCLS before receiving signing authority and before being granted access to the ACD. The [DSHS Contracts Academy](#) site lists staff contracting responsibilities, ACD Access Levels and specific training requirements.
4. Signing authority must be requested by the responsible division director or key contract coordinator using the "[ACD Access/Signing Authority](#)" request form available on the Facilities, Finance, and Analytics Administration (FFAA), contracts, legal, and background checks (CLBCS) division, [CCLS intranet website](#).
5. The CCLS chief or the CLBCS systems manager will e-mail the requesting division director or key contract coordinator a response to the signing authority request within three business days of the request being made. The CCLS chief must provide a written explanation for denied requests to the division director or key contract coordinator specifying what criteria were not met and make recommendations for how the employee may meet the criteria.

If a division director does not agree with the CCLS chief's decision, the director may ask the chief financial officer to resolve the matter.

6. A DSHS employee must not execute any contract subject to this policy unless CCLS has sub-delegated signing authority to the employee for that particular type of contract (e.g., preapproved client service, custom, Interlocal, \$30,000 and under professional services, etc.).

The CCLS chief may rescind delegated signing authority if signing authority is not exercised in accordance with this policy, if the requirements in the “Guide” have not been met, as requested by the responsible division director, or as directed by executive management. The CCLS chief will attempt to resolve issues of compliance with this policy or the “Guide” through consultation with the responsible key contract coordinator prior to rescinding signing authority. If the issue is not satisfactorily resolved, the CCLS chief may rescind delegated signing authority.

- a. The CCLS chief must provide reasonable notice to the responsible division director before rescinding signing authority, and must document the decision.
- b. The responsible division director may appeal a decision to rescind signing authority to the chief financial officer.

D. ACD access by outside agencies or contractors

1. Access to the ACD is available to agencies or contractors outside of DSHS with a business related need for access to the contract generation and contract management elements of the system, read-only access, or for audit purposes.
2. ACD access and level of access for outside agencies or contractors will be authorized and managed by CCLS.
3. A data sharing agreement between DSHS and the agency or contractor is required for ACD access. ([See 3.2.4. Data Sharing Contracts of the DSHS Information Technology Security Policy Manual.](#))
4. All individual users of the agency or contractor with a business need to access the ACD will be required to sign and submit a nondisclosure agreement before individual access will be granted. ([See 2.2.2 Access for Contractors and Other Non-Employees of the DSHS Information Technology Security Policy Manual.](#))

E. Training

1. CCLS develops, maintains, and provides DSHS specific contracts training to staff subject to this policy.
2. The Department of Enterprise Services (DES) requires all DSHS staff with responsibilities for preparing, approving, executing or managing contracts to take certain [DES courses](#), in addition to the contracts training courses offered by CCLS, to satisfy the requirements of [RCW 39.26.110](#).

3. All DSHS staff responsible for signing or managing contracts subject to this policy must satisfactorily complete CCLS contracts training, and the required DES contracts training before CCLS will sub-delegate authority to sign contracts or grant access to the ACD.
4. Minimum training requirements are published in the "[Guide to Contracting](#)" and on the CCLS contracts academy intranet site:
<http://one.dshs.wa.lcl/FS/OSS/CCS/Academy/Pages/default.aspx>.

F. After-the-fact contract executions

1. All administrations must execute written contracts in accordance with this policy for all contracts governed by the "Authorizing Sources" cited above. DSHS staff must not make payment for services until the contract has been executed.
2. Each administration must ensure it has procedures in place to prevent after-the-fact contract executions and to address corrective action, as appropriate. CCLS will provide assistance to administrations, if requested by the key contract coordinator or executive management.
3. The CCLS chief must notify the chief financial officer and the responsible administration of any egregious instances in which a contract was not timely executed. CCLS will work with the administration, if requested by the key contract coordinator or executive management, to correct the situation and prevent recurrence.
4. The CCLS chief may request the affected administration to submit a corrective action plan to the chief financial officer if CCLS identifies a pattern of after-the-fact contract executions that does not show improvement.

G. Attorney general approval

Some contracts may need to be approved as to form by assigned counsel at the Attorney General's Office. (RCW 43.10.030[6]). Generally, if the contract is based on a model form that already has been approved, it is not necessary to get Attorney General approval as to form. However, if the administration is entering into a long-term, mission-critical, or high-dollar contract, if the contract does not have a "termination for convenience" clause, or if the administration has particular concerns about a contract, it should seek AGO advice and/or approval as to form.