



Title <b>Exemptions to the Purchase Order/Contract Requirements</b>	Document Code No. <b>CON</b> 7-2-2 (AEP)
Department/Issuing Agency Executive Services – Finance and Business Operations Division	Effective Date. <b>October 13, 2008</b>
Approved 	

1.0 SUBJECT TITLE: Exemptions to the Purchase Order/Contract Requirements

1.1. EFFECTIVE DATE: TBD

1.2. TYPE OF ACTION: SUPERSEDING CON 7-2-1(AEP)

1.3. KEY WORDS:

2.0 PURPOSE:

2.1. To exempt certain categories of purchases from King County purchase order or contract.

3.0 ORGANIZATIONS AFFECTED:

3.1. All King County offices, departments, divisions, and agencies.

4.0 REFERENCES:

4.1. King County Code, Chapter 4.16, Procurement Procedures for Public Contracts.

5.0 DEFINITIONS:

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

5.2. "Blanket Purchase Agreement" means a contract awarded by the Procurement Services Section to fill anticipated repetitive needs for non-specific quantities and/or specific quantities on a routine basis, at established prices.

5.3. "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.

5.4. "Direct Voucher" means direct authorization for payment of procured goods/services without a purchase order/contract issued by the Procurement and Contract Services Section.

- 5.5. "Exemption" means those purchases exempt from use of County purchase order or contract.
- 5.6. "Grant Funds" means any money, or property in lieu of money, paid or furnished by Federal, State, or local government under programs that provide financial assistance through grant or contractual agreement.
- 5.7. "Certified Firm" means a business that has applied for participation in King County's Contracting Opportunities Program, and has been Certified as a Small Contractor or Supplier by the King County BDCC office.
- 5.8. "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.
- 5.9. "Purchase Order" means a document authorizing the purchase of goods/supplies/materials/non-professional services and equipment from a specified vendor or contractor.
- 5.10. "Single Purchase" means a one time buy of goods or services, or an aggregate of like purchases throughout the year by an agency.

6.0 POLICIES:

- 6.1. It is the County's policy to purchase goods and services in a manner that complies with State law, King County Code, and all applicable ordinances and directives including applicable federal requirements.
- 6.2. It is the policy of the County that recycled/recyclable products shall be procured and used by all offices, divisions, departments, and agencies wherever practicable.
- 6.3. The following categories of purchases are exempt from the requirement of an official King County Purchase Order/Contract and may instead be purchased by any King County employee who is currently authorized to sign the payment certification for Accounts Payable vouchers.
  - 6.3.1. Single purchases totaling less than \$5,000.00, including freight and sales tax.
  - 6.3.2. Purchases where the County's liability is cited in law, County contract/agreement, court order or Council motion with either (a) terms and payee specified by same, or (b) if either or both are not specified, their determination is not subject to the control of the Procurement Manager. Such purchases include, but are not limited to:
    - 6.3.2.1. Housing and Community Development trust funds disbursed on behalf of homeowner in accordance with grant terms.

- 6.3.2.2. Public Safety towing and storage charges paid under the official County impoundment ordinance.
  - 6.3.2.3. Medical services/goods covered by Worker's Compensation law (RCW 51.36), LEOFF 1 and 2 (RCW 41.26).
  - 6.3.2.4. Witness travel and living costs for Prosecuting Attorney (RCW 2.40.010 -.030).
  - 6.3.2.5. Court reporter service and transcription fees (RCW 2.32.210 - 240).
  - 6.3.2.6. Payments for the Prosecuting Attorney's conduct of defense in County litigation (RCW 36.27.020).
  - 6.3.2.7. Travel and living expense of employees and non-employees per official policy and law (RCW 42.24).
  - 6.3.2.8. 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.
- 6.3.3. Purchases of a nature which do not lend themselves to the competitive procurement process or issuance of a purchase order/contract including, but not limited to:
- 6.3.3.1. Utility billings, such as water, electricity, telephone (only local services and SCAN).
  - 6.3.3.2. Postage, shipping charges, permits, fees, tolls and licenses.
  - 6.3.3.3. Foster care, training and professional services for the physical or mental care of persons in custody or care of a King County agency.
  - 6.3.3.4. Registration/tuition for standardized training classes or seminars.
  - 6.3.3.5. Memberships and contributions.
  - 6.3.3.6. Payments to the County Fair for deposit to bank account for operating costs.
  - 6.3.3.7. Services of "assigned counsel" for the Office of Public Defense, appointed under authority of Superior and District Courts.
  - 6.3.3.8. 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 the Transit Division for itself.

- 6.3.3.9. Right-of-way purchases by the Department of Transportation.
- 6.3.3.10. Publications and subscriptions such as periodicals and newspapers.
- 6.3.3.11. Allowance or employer reimbursement payments made under on-the-job training contracts.
- 6.3.3.12. Parks Division payment to exhibitors/entertainers at County sponsored events.
- 6.3.3.13. Veterinary costs for dogs performing service work for the County.
- 6.3.3.14. Child care payments (e.g. clothes, rent) under Work Training Program "Support Services Purchase Approved Letter" [Private Industry Council (PIC)/Job Training Partnership Act (JTPA) Directive #4, 5].
- 6.3.3.15. Juvenile Division purchases for clothing and related items for persons in probation status.

7.0 PROCEDURES:

**Action By:**

**Action:**

Agency/Department

7.1. Determines the need for goods, equipment, materials, supplies and services which qualify under the "Exemptions to Purchase Order Requirement".

Agency/Authorized Personnel

7.2. Check for an applicable blanket agreement. The blanket agreement should be used unless the blanket agreement cannot provide the goods or services. Notify the Procurement or Contract Services Section of pricing discrepancies.

7.3. Determine if the provision of a good or service involves risk to the County. If so, require that the vendor provide appropriate insurance coverage. (Questions about insurance should be directed to the Office of Risk Management.)

7.4. Seek the names of certified firms, to the extent available, from the County's Directory of Small

Contractors and Suppliers in the solicitation for procurement of goods and services.

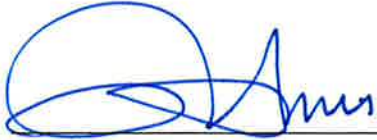
- 7.5. Select the vendor and/or contractor; place order.
- 7.6. Authorize prompt payment through the following procedure:
  - 7.6.1. Receive goods/service, packing list and invoice.
  - 7.6.2. When the item is received immediately inspects for damage and verifies that the quantity is correct.
  - 7.6.3. Check the invoice received from the vendor against departmental records for verification of quantity and price.
  - 7.6.4. Send completed account's payable voucher with original invoice to the Financial Management Section, Accounts Payable Unit for payment.

8.0 RESPONSIBILITIES:

- 8.1. Each department, agency, office and division shall be responsible for assuring that adequate funds are available to cover the costs of all purchases.
- 8.2. The Procurement and Contract Services Section is responsible for maintaining and making available the following information for departments, agencies, offices and division.
  - 8.2.1. Lists of vendors/contractors with blanket agreements for goods and services.
- 8.3. The Financial Management Section is responsible for:
  - 8.3.1. Payment of all direct vouchers.
- 8.4. Managers authorizing direct vouchers and certifying payment of those vouchers are responsible for ensuring that these procedures are followed.
  - 8.4.1. Items may not be purchased in excess of established limits.
  - 8.4.2. Invoices may not be split to make it appear a purchase is within established limits.
  - 8.4.3. Goods and services used throughout the year may not be purchased on a daily, weekly or monthly basis to avoid issuance of term contract/purchase order.

- 8.4.4. Goods and services may not be purchased from vendors/contractors who are disqualified, debarred or suspended from contracting with the County.
  - 8.4.5. Make sure the vendor provides appropriate insurance coverage when the provision of a good or service involves some risk to the County. Questions about insurance requirements should be directed to the Office of Risk Management.
  - 8.4.6. Make a best effort to procure recycled/recyclable products.
  - 8.4.7. Initiate payment process as appropriate to take advantage of prompt payment discount and to avoid late payment fee.
  - 8.5. The Director of the Finance and Business Operations Division and the Internal Auditor are responsible for the yearly review of a summary report of direct voucher activity and will, along with the County Executive, determine what action will be taken should an agency, department, office or division abuse the direct voucher system.
  - 8.6. The Director of the Finance and Business Operations Division will send the following information, where applicable, to a particular department, office, agency or division if any preliminary audit reveals possible problems with this policy's procedures.
    - 8.6.1. Names of vendors/contractors who should be contacted because they perform at a lesser cost.
    - 8.6.2. The existence of blanket purchase orders for the same supply/service which should be used.
    - 8.6.3. Notice to group supplies/services and submit a requisition to Procurement and Contract Service Section for competitive bids.
- 9.0 APPENDICES:
- 9.1. None

Dated this 3 day of October, 2008



Ron Sims  
King County Executive

Attest:

*not required  
Anne*

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Anne Brusklund, Interim Director  
Records and Licensing Services Division~~