Quick Start Guide

King County

Purchasing Goods and Services

Revised 12/2015

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Introduction

Purpose of this Guide

This resource explains procurement and contracting requirements for departments, divisions, offices and agencies within King County.

Procurements must comply with federal, state and local laws to ensure that the purchase process:

- Creates open and fair competition
- Includes all the terms and conditions to protect the County
- Meets ethical, environmental, and social equity standards
- Meets Small Contractor and Supplier (SCS) requirements

What this Guide covers

Goods
Goods are tangible items.

Examples: Office Supplies, Fuel, Auto Parts, Bus Parts, Sand, Rock & Gravel, Tires, Food, Uniforms, Medical Equipment, Furniture, Computer Hardware, Janitorial Supplies, Construction Equipment, Vehicles, etc.

Services
Services are the labor, time or effort of a human being.

Examples: Training, Janitorial Services, Equipment Installation, Software Upgrades, Installations, Maintenance, Environmental Impact Studies (EISs), Temporary Help, etc.

Technical Services
Consultants that have advanced ability, expertise or education to solve a problem or complete a task.

Examples: Surveys and Studies, Systems Analysis, Financial Services, Program Development, Specialized Training, Recycling/Marketing Programs, etc.

Technology (IT) Goods and Services
IT goods are for telecommunications or are programmable. IT Services require advanced technological ability, expertise or education to solve a problem or complete a task.

Examples: PC's, Telephones, Software, Hardware, Maintenance, etc.

King County Procurement

Procurement in King County is the process through which departments, divisions, offices, and agencies acquire the goods and services they need to perform their specific missions.

Contact our staff about your procurement. For a list of staff, visit the King County Procurement intranet Contact Us page.

For more information on technology contracts visit: Technology Contracts

Introduction

What this Guide does not cover

Public Work
All work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the County. *(See KCC 2.93.090)*

Professional Services (A&E)
Architecture and engineering contractors that require specialized knowledge, advanced education or professional licensing or certification, and where the primary service provided is intellectual, involving the consistent exercise of judgment and discretion. (See KCC 2.93.120)

Exempt Purchases
Items that are not open to competition, such as subscriptions and memberships. (See KCC 2.93.180)

Define the purchasing need

Key Questions:

1. What is your specific need?
2. Is it a good, service, technical service, technology good or service?
3. Approximately how much will it cost?
   a) Under $5,000, except under $3,500 for federally grant related cost.
   b) $5,000 - $24,999?
   c) $25,000 or more?

Introduction

Meet the need

Once a need is defined, look for an existing contract.

Contact Us for help finding a contract that meets your need.

1. **King County universal contracts**

   King County "universal" contracts can be used by all agencies to purchase a wide range of goods and services including office supplies, paper, office furniture, copy machines, water, fuel, electrical supplies, industrial supplies, recycling services, document destruction services, and software, etc.

"Green" or "environmentally preferable products" contracts are products that have less impact on human health and the environment. (KCC 18.20)

Read more

2. **Washington State contracts**

   King County can use some Washington State contracts to purchase goods and services, a kind of contracting known as "piggybacking".

   Send us either a Service Request for the contract purchase agreement you need created and or requisition for a "one-time" buy. Tell us which state contract is applicable. If a state contract can be used, the piggybacked purchase acts just like a waiver.

   Use the link below to determine if there is a contract available or contact us to help.
   Find Washington State contracts

King County, State of Washington and cooperative contracts have "green" products available

www.kingcounty.gov/procurement/green

3. **Other government agency contracts**

   Contracts by other government entities can be used to acquire goods and services. We will review their contracting process to ensure it meets King County code then execute the cooperative purchasing agreement as required by Washington State Law.

4. **King County master contracts**

   Through a competitive bid process, King County has created a pool of prequalified consultants. These are external consultants with proven track records in the public and private sectors. King County agencies may use these experts without going through a separate competitive bid procurement process, saving considerable time and money. All external consultants are paid by the requesting agency.

   Organizational and Training Development master contracts offer services like training, organization development, conflict resolution, team development, business performance improvement, meeting facilitation, and performance coaching.

   Read more

   IT master contracts offer information technology related consulting, including IT project management, IT solutions, technology planning and consulting, security and privacy, training, and technical writing and documentation services.

   Read more

5. **Proprietary Waiver**

   Some purchases may qualify for a proprietary waiver, meaning there is no requirement for competitive bidding. It does not waive any contractual, insurance or form requirements. Read more

   Legitimate exemptions include:

   - Single Source
   - Special Facilities
   - Special Market Conditions
   - Emergency

6. **Multi-year Agreements**

   King County agencies can enter into multi-year agreements in one of three ways:

   a) Any contract that exceeds 12 months must allow King County to terminate for non-appropriation of funds, convenience, or default. Because contracts frequently span five (5) fiscal years, this cancellation clause is standard.
   b) The council can specifically authorize the multi-year agreement by ordinance.
   c) Funding for the entire contract term is included in a capital appropriation.

7. **Cooperative Contracts**

   Cooperative contracts awarded on behalf government consortiums may be used to acquire goods and services. When an Agency wishes to use a cooperative contract, we will review the contracting process used to ensure it meets King County code.

   If approved, we will process either a purchase order or contract purchase agreement, whichever best suits your needs.

Introduction

Types of Procurements

King County makes many small and large purchases every year. Procurements range from less than a dollar to millions of dollars. The County has established definitions for procurements based on how much they cost. Criteria includes dollar limits, competition, and requirements for requisitions, advertisement, and purchase orders.

Small Purchases

Small purchases are less than $25,000.

1. Petty cash cost up to $100
2. P-Card or Purchase Order cost up to $4,999
   (federally grant-related costs must be less than $3,500)
3. Three quote process cost up to $5,000
   (federally grant-related costs must be less than $3,500)

Large Purchases

Large purchases are more than $25,000. The County uses two basic procurement processes for those the Invitation to Bid (ITB) and the Request for Proposal (RFP). This Guide describes the six-step process for making a large purchase using either type of procurement. At times, we may need to use a specialized process to complete your procurement – a Request for Qualifications (RFQ) or a Request for Information (RFI).

1. The “Invitation to Bid” or ITB is a sealed bid procurement.
2. The “Request for Proposal” or RFP is a negotiated procurement.
3. The “Request for Qualifications” of RFQ is a process to obtain qualification information about proposers.
4. The “Request for Information” or RFI is a process to seek information about a product or service for which the County is researching to determine needs and market availability.

Introduction

Figure 1. King County Purchasing Chart

Type	*Dollar Limit**	*Requisition*	*ITB/RFP*	*Advertise*	*Purchase Order*
Small up to **$24,999.99** (or **$3,500 for federally grant-related costs)**					
Petty Cash*	$100.00	No	No	No	No
P-Card*	$4,999.99	No	No	No	No
Purchase Order*	$4,999.99	Yes	No	No	Yes
Purchase Order* **(Federal)**	$3,499.99	Yes	No	No	Yes
3-Quote* Process	$5,000.00 - $24,999.99	Yes	No	No	Yes
Large more than **$25,000**					
ITB or RFP	$25,000+	Yes	Yes	Yes	Yes
Emergency	No	Yes	If practical		Yes

Introduction

Procurements for King County must comply with federal, state and local laws. The steps in this Guide ensure that the purchase process:

- *Creates open and fair competition*
- *Includes all the terms and conditions to protect the County*
- *Meets ethical, environmental, and social equity standards*

Procurement Documents

These documents are used in King County's procurement process.

Service Requests

Use our Service Request Module to request a new contract, changes to existing contracts, or a waiver.

Solicitations

Invitations to Bid (ITB) and a Request for Proposals (RFP) may result in a binding contract or PO.

A Request for Qualifications (RFQ) and Request for Information (RFI) is for research purposes prior to creating a binding contract.

Offers

Bids or proposals made by businesses for goods or services.

Contracts

Agreements between the County and the supplier to buy/sell. It may have terms and conditions that are special or negotiated.

Purchase Order (PO)

A simple type of contract that binds the solicitation and offer.

Addendum

A change made to a solicitation, issued by us.

Change Orders

These are changes to purchase orders or amendments to contracts, issued by you.

Small Purchases

Petty Cash

Use petty cash for purchases under $100. Most King County departments have a petty cash fund. Purchases must be for appropriate goods and services.

Procedure:

1. Agency: Checks that the total cost (including tax and freight) does not exceed $100.
2. Agency: Makes direct purchase.
3. Agency Supervisor: Authorizes reimbursement on review of petty cash slip and sales receipt.
4. Agency's Petty Cash Custodian: Reviews approval, petty cash slip, and sales receipt. Reimburses Agency.

P-Card

P-Cards are the preferred method of making purchases under $5,000 (or $3,500 for federally grant-related costs). You save time by placing your order and paying in one step. iExpense transactions are reconciled and approved online in Oracle. Read more

P-Cards are used for making purchases and payments.

They do not require a requisition, and are reconciled with the iExpense program.

Procedure:

Task		Action
1	Agency	Makes direct purchase with a P-Card.
2	Agency	Calls vendor who has a record of providing goods and services in a timely manner and at a competitive price. Call a Buyer at (206-263-9400) if you need assistance finding a vendor.
3	Agency	If a business will not accept a P-Card, create and approve a requisition in Oracle.

Small Purchases

In some cases, you may want to use the Six-Step Procurement process (page 15) even though the cost is under $25,000.

Example: janitorial services, where prevailing wages apply.

Bids provide better terms and conditions than quotes. If you need special terms or conditions, use an Invitation to Bid (ITB) or Request for Proposal (RFP).

Three-Quote Process

If an item costs $5,000 to $24,999.99 (including taxes and freight), you can buy goods or services without advertising or formal bidding through the Three-Quote Process.

Use the following procedure, or we can get the quotes for you.

Small Purchases

Procedure

Task		***Action***
1	Agency	Determine whether insurance is required, or if there are other special requirements. Contact us (206) 263-9400 or Risk Management (206) 263-2250.
2	Agency	Contact at least 3 vendors for quotes. • Keep a record of the quotes. • Quotes can be solicited and received by telephone, fax, or e-mail. • Check for Small Contractors and Suppliers (SCS) to solicit. Agencies are encouraged to buy from small local businesses whenever practical.
3	Agency	Review quotes. • Can the vendor sell what is needed? • Did the vendor quote the item requested? Determine the lowest quote. • If you decide to skip lowest quote and use another vendor, tell us why in the requisition for a one-time buy or Service Request to have a contract purchase agreement created in the system.
4	Agency	Prepare a requisition or Service Request. Authorization is required for the purchase.
5	Agency	Send us your approved requisition for a one-time buy and quotes via ORACLE or a Service Request to establish a contract purchase agreement.
6	P&P	We will review your documentation and approve the purchase, then create a Purchase Order (PO) or Contract Purchase Agreement (CPA).
7	Agency	Order the goods. We are available to assist you throughout the process.
8	Agency	If the purchase is a negotiated contract rather than a PO, you are responsible for preparing the contract and securing all required forms. You must send a copy of the executed contract to us and get the contract reviewed by the Prosecuting Attorney, if needed.

Large Purchases

Do not split purchases into pieces to keep it under $25,000. These smaller purchases are monitored.

Stages of Procurement

The terms "purchasing" and "procurement" are often used interchangeably. Purchasing, however, is only one stage of the procurement cycle of planning, purchasing, and contract administration.

Large purchases at King County are defined as items costing $25,000 and above. Two types of procurements are used for large purchases: Invitation to Bid (ITB) or Request for Proposals (RFPs). This section describes a Six-Step procurement process that fits either ITB or RFP.

Six-Step Procurement

The Six-Step Procurement process is:

1. Define need
2. Build ITB/RFP
3. Issue ITB/RFP
4. Evaluate Bid/Proposal
5. Create Purchase Order/Contact
6. Administer Contract

These steps occur within the overall procurement cycle of planning, purchasing, and contract administration. See the Six-Step Process graphic (page 15).

You are responsible for defining what is needed, when and where, and the available budget. We handle the purchasing stages such as issuing the ITB/RFP, tabulating bids, and handling protests. We'll work together on the final stage - contract execution and administration. The six steps described in this Guide spell out the Agency role, P&P' role, and how the Agency and P&P work together to ensure a successful procurement.

King County Procurement Process

Agency ♦
P&P ❒
Client/P&P ❖

START

Planning

1

Define Need

- ♦ Identify need or problem
- ♦ Confirm budget
- ♦ Identify if grant, state or federal and tell P&P
- ❖ Describe purchase
- ♦ Develop service request
- ♦ Write Terms, Specs or SOW
- ♦ Submit service request and specs to P&P

WAIVER?
Only One Source

go to step 5

STATE?
Using a State Contract?

Service Request

Purchasing

2

Build ITB/RFP

- ❖ Confer w/ P&P:
- ❒ Create ITB or RFP draft
- ❖ Develop Bidder/Proposer List
- ♦ Determine if Risk or PAO required and tell P&P
- ❖ Review Final ITB/RFP

Specifications

3

Advertisement

Issue ITB/RFP

- ❒ Determine where to publish & advertise
- ♦ Update Vendor List
- ❒ Send ITB/RFP to bidders/proposers
- ♦ Review and answer questions
- ❒ Issue Addenda
- ❒ Open bids/receive proposals

4

Bid Opening

Responsive Determination

Evaluate Bid/Proposal

- ❒ Determine Responsiveness

— If Bid—

- ❒ Determine low bidder
- ❒ Handle issues
- ❒ Send bid results to client
- ❒ If Yes go to Award

— If RFP —

- ❖ Request clarifications
- ❖ Evaluate proposal
- ❖ Conduct negotiations
- ❖ Select Best Value Proposer

Contract Administration

5

Award

Award/Create PO Contract

— ITB—

- ❒ Award bid
- ❒ Convert service request to PO

— RFP —

- ❖ Complete negotiations w/ Best proposer
- ❖ Combine addenda, RFP, proposal, negotiation into contract
- ❖ Award contract
- ❒ Award/Create P.O. or Contract
- ♦ Secure final reviews and contracts
- ♦ Get Dept Director signature, collect forms and attachments

6

FINISH!

Administer Contract

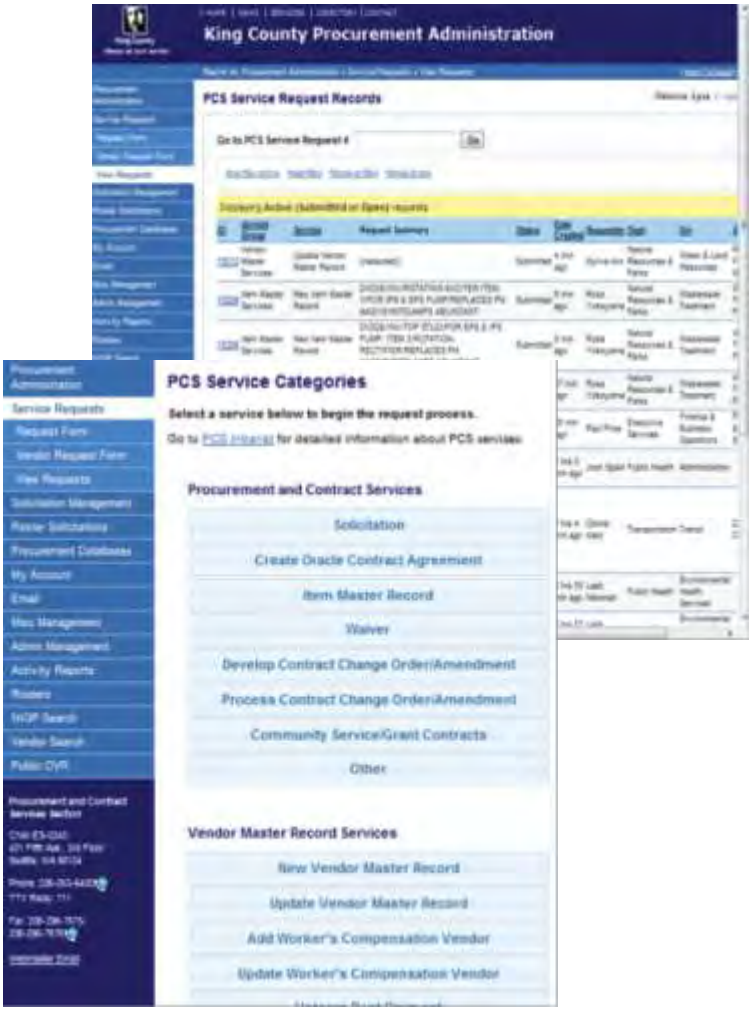
- ❖ Order goods or services
- ♦ Write vouchers or receiving reports
- ♦ Monitor performance
- ♦ Process invoices
- ❖ If any: Make Change Orders
- ❖ If any: Handle contract issues

Step 1: Define Need

The first stage of procurement is planning. Begin by defining exactly what is needed. Be specific.

Submit a Service Request form to us. The Service Request must be complete and specific in order to move to the next step, building the solicitation.

To submit a Service Request, set up an account by emailing procurement.web@kingcounty.gov



Large Purchases

Procedure

Task		Action
1	Agency	Identify problem or need.
2	Agency	Confirm budget authority is sufficient for procurement.
3	Agency	Identify if any grants or federal requirements apply. • If federal requirements apply, tell us and identify the granting authority or provide a copy of the grant requirements with the Service Request.
4	Agency	Develop a service request. Include: • Brief description of the purchase. • Quantity. • Performance period/delivery schedule. • Funding source. • Requirements for grants or waivers. (If any) • Authorized signature. • POETA • Technical Specifications • Potential Bidders We can help you with: • Early review and feedback on the draft requisition. • Sample specifications from previous purchases. • Usage reports from the last contractor. • Researching available vendors. Requisition access information
5	Agency	Submit your Service Request and specifications to us.

Two Types of Procurement: ITB vs. RFP

The ITB process requires the bidder to submit a sealed bid. There is no possibility to discuss or negotiate with the bidders. A contract is awarded to the low bidder meeting the requirements.

The RFP process requires the proposer to submit a sealed proposal. Proposals are then evaluated and ranked by our evaluation team to determine who best meets the requirements in the RFP.

Price is just one of several criteria. There may be negotiations with one or more proposers before contract is actually signed, ensuring you the best value.

Step 2: Build ITB/RFP

The second step in the six-step process is building the ITB or RFP. We'll do this for you, with your input.

Procedure

Task		Action
1	Agency/ P&P	We'll talk together about: • Special/Supplementary conditions. • Contract Provisions. • Responsibility/Responsiveness Criteria. • Procurement method - ITB or RFP. • Insurance requirements and need for review by Risk Management. • The role of the Prosecuting Attorney's Office (PAO) and Risk Management in reviewing procurement documents and contracts. Agency may choose to involve the PAO and Risk. • Method of Award. • Solicitation schedule (advertising, ITB/RFP due date, pre-bid/proposal meetings, site visits, etc.).
2	P&P	Create ITB or RFP draft with the specifications defined by the Agency and adjusts the standard document as needed.
3	Agency/ P&P	Develop Bidder/Proposer List.
4	Agency/ P&P	Review final ITB/RFP: • Clarify language. Language is clear and does not conflict with other parts of the solicitation. • Minimize conflicts with contract terms.

DRAFTS

Depending on the complexity of the goods or service needs, several drafts of the ITB/RFP may go back and forth between us. This exchange is normal and helps ensure that you get what is needed and that there is open and fair competition.

Step 3: Issue ITB/RFP

Together, we'll hold the pre-bid or pre-proposal conference (optional) and answering bidder' or proposers' questions about the intended purchase.

Task		Action
1	P&P	• Determine where to publish ad based on your input. We must use at least the official County source. • Advertise ITB/RFP at least 13 days before bid opening.
2	P&P	• Distribute notification of solicitation to bidders registered in our online Vendor Registration System (OVR). • Email the notification of solicitation to your list of other potential bidders/proposers who are not registered in our OVR.
3	P&P	• Receive questions from potential bidders/proposers prior to Pre-bid/proposal conference and forward to you.
4	Agency	• Review questions we get from bidders or proposers and prepare a response for us.
5	Agency/ P&P	• Attend Pre-bid or Pre-proposal Conference. • Review solicitation with potential bidders/proposers. • Respond to all questions from bidders/proposers. • Prepare addenda (as needed) to change solicitation.
6	P&P	Issue addenda (as needed)
7	P&P	Receive and open bids/proposals

Differences Between an ITB and an RFP

Features	***ITB (Sealed Bid)***	***RFP (Negotiated)***
Advertisement	Yes	Yes
Public Bid Opening	Yes. Dollar totals may be read	Yes. Only companies' names are read
Contract Type	e.g. • Firm Fixed price (Lump Sum) -or- • Unit Price, Indefinite Quantity	e.g. • Firm Fixed Price (Lump Sum) -or- • Payment based on completion of specified work -or- • Unit Price (Indefinite Quantity) -or- • Payment determined by completion of specific tasks
Responsiveness	e.g. • Turned in on time • Bid forms completed • Met minimum specs	• Turned in on time • Responded to questions • Proposal completed • Met minimum requirements • Provided required documents
Responsibility	e.g. • References checked • Adequate inventory • Adequate facilities	• Can provide a completed system • References checked • Financial capacity is sufficient • Demonstrated ability to perform
Evaluation Criteria	• Lowest bidder meeting test for responsibility and responsiveness • Can result in multiple award or single award	Ranked by weighted subjects like: • Technical ability • Management plan • Cost/Price • Approach to project • Experience

Step 4: Evaluate Bid/Proposal

Next the ITB or RFP is evaluated. Critical here are "responsiveness" and "responsibility."

"Responsiveness" refers to how well the bid or proposal responds to the ITB or RFP. Firms must submit the bid or proposal on time, meet the minimum specification requirements, and complete the required forms.

"Responsibility" refers to things like adequate inventory, facilities, financial capacity or demonstrated ability to do the work. Reference checks may also be conducted to determine responsibility.

Task		Action
1	P&P	Determine responsiveness and responsibility. *(You may perform reference checks, or we can)*
2	P&P	If Bid: • Determine low bidder. • Handle Issues (Tie Bids, Protests, etc.). • Send bid results to Agency for concurrence.
3	Agency/ P&P	If RFP, you need to: • Request clarifications to technical details or prices on proposal. • Evaluate proposals and make competitive range determination. • Document the decision-making process. If needed: • Conduct discussions: ‣ Request clarifications ‣ Gather information, demonstrations and interviews ‣ Visit proposer's site ‣ Attend presentations
4	Agency/ P&P	• Conduct negotiations. • Select best value proposer. • If YES, go to Step 5: Award (page 22).

Step 5: Award - Create PO or Contract

A procurement award is made to vendors using either a Purchase Order (PO) or Contract.

Procedure

Task		Action
1	P&P Agency/ P&P	If ITB: Award bid. If RFP: • Complete negotiations with best proposer. • Award contract. • You make all business decisions; our role is to provide expert advice. In many cases, the Prosecuting Attorney (PAO) and Risk Management Office participate in negotiations.
2	P&P Agency/ P&P	If ITB: • Convert service request into PO or issue Contract Purchase Agreement (CPA). If RFP: • Combine addenda, RFP, proposal, and negotiations into contract. We prepare the contract, but you may request that the PAO review and approve the contract as to form.
3	P&P	If ITB or RFP is for goods and services, we distribute and collect forms and required attachments from vendor.
4	Agency	If RFP: • Secure all final reviews of contracts your management and the PAO. • Obtain signature of your Department Director on contract
5	P&P	Enter PO or Contract Purchase Agreement into our computer system

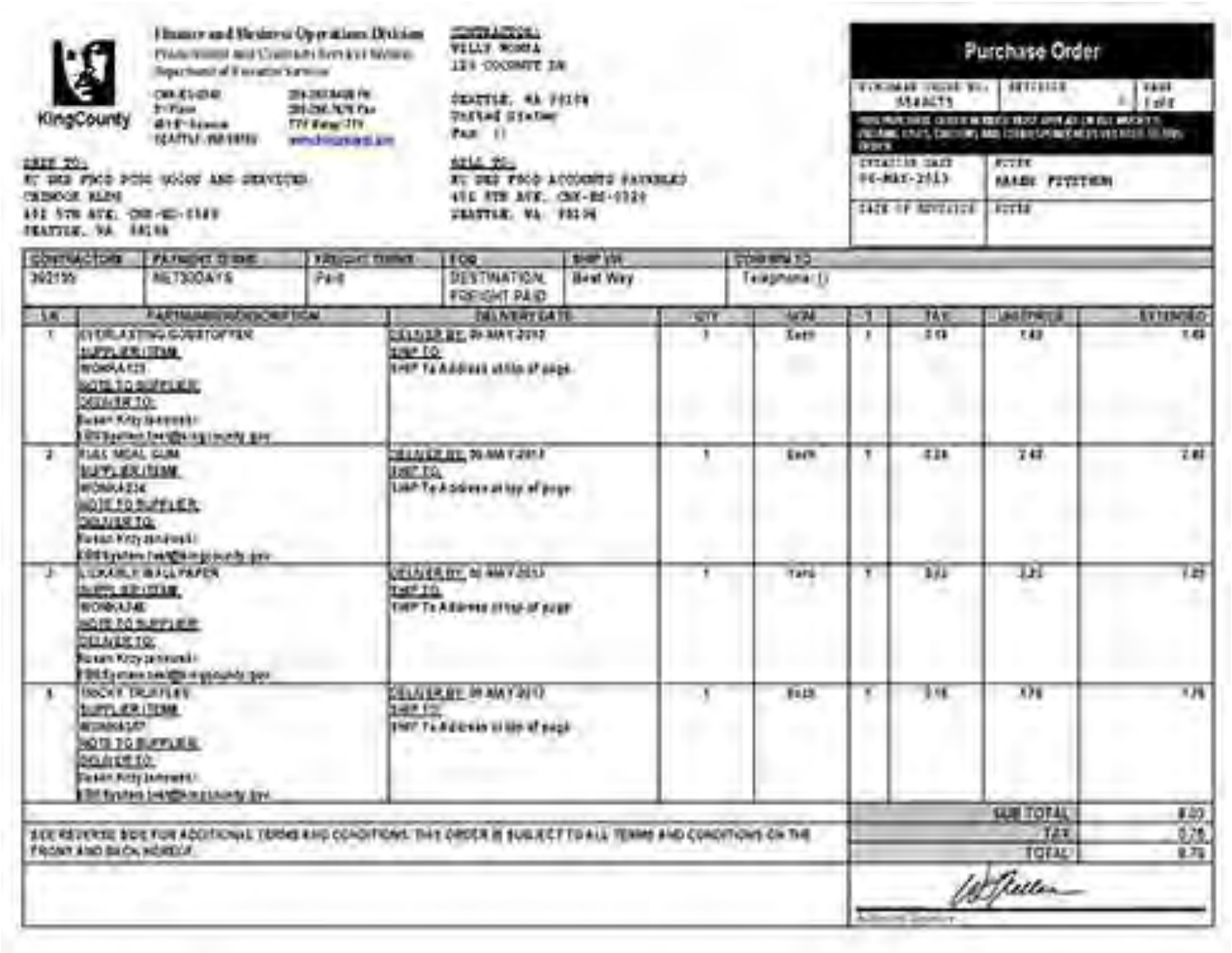
Large Purchases

Purchase Order

Purchase Order (PO)

Requisitions or Services requested are converted to either a Purchase Orders (PO) or Contract Purchase Agreements (CPA) when the work is awarded.

Example: Oracle PO below.



Step 6: Administer PO or Contract

Contract administration is the process of ensuring the terms of the purchase order or contract are enforced, goods and services are delivered satisfactorily, and the bills get paid.

Procedure

Task		Action
1	Agency/ P&P	Together we'll decide whether the goods/services will be ordered by the buyer or you.
2	Agency	• Monitor performance of Contractor. • Make site inspections, check goods received, check dates and milestones.
3	Agency	Complete online receiving reports.
4	Agency	• Process invoices from Contractor • Check for accuracy, compare the contract to what goods or services were received.
5	Agency/ P&P	• For contracts, you are responsible for preparing change orders to tell us how to change the work or services that are described in the contract. You are responsible for maintaining documentation and justification for all change orders. For Contract Purchase Agreements, to extend purchase orders from Bids, the Agency sends a Service Request to exercise optional terms. • For PO change orders, submit a requisition in ORACLE.
6	Agency/ P&P	• You handle day-to-day contract issues. • You document problems and disputes. • Call us for any major contract disputes, remedies and if needed, contract termination.

For more information

For assistance, contact us at (206) 263-9400