

Master Contracts Fee

The consolidation of dozens of activities from five agencies into the Department of Enterprise Services (DES) provided an opportunity to streamline the rate structure for our services. In the summer of 2012, the Department conducted a review to confirm the kind of rate structure it should use to cover the costs of the services we provide.

The review began with setting principles that guided DES in establishing rates, researching how other service organizations structure their rates, and developing alternatives.

The rate principles set by DES are:

- The rate is clear, easy to understand and easy to explain
- Customers feel confident about the accuracy of the charges
- Customers feel the rate structure will ensure they are paying a fair and equitable share of the total cost
- Charges are predictable, consistent and timely
- Rates should not create disincentives or barriers for the robust use of enterprise systems or services or enterprise policy when they would be in the state's best interest

DES adopted a single vendor management fee model for all contracting activity that became effective July 1, 2013. There are no variable percentages and tiers; it is fair and equitable for all contract users. State contract vendors pay the state .74% of the total spent on contracts. Vendor management fees are a common practice in the public and private sector (19 other states currently have vendor management fees).

By moving from the current complicated and confusing model to a single management fee for contract use, DES is meeting the rate principles and agency mission to deliver innovative business solutions to meet the needs of those we serve.

DES made the process of reporting sales consistent with the process most contract holders were familiar with, while making improvements to the system. Training is available for those not familiar with the online sales reporting system.

For more information contact:

Christine Warnock (360) 407-9398
Christine.warnock@des.wa.gov