

FY 2019-2020 Procurement Risk Assessment Tool

DISCLAIMER: Due to the complex nature of the original document, this version of the Tool was created as an Accessible Version. Information found within this document is taken directly from the standard original version and has only been modified to meet accessibility standards. Each Tool is slightly customized from this standard version and includes a packet of agency-specific supplemental documents. If you require additional assistance with interpreting this document, please contact us at DelegatedAuthority@des.wa.gov.

Why a Procurement Risk Assessment Tool?

RCW 39.26.090 provides the Department of Enterprise Services (DES) authorization to delegate purchasing authority based on a risk assessment process. The Procurement Risk Assessment Tool (Tool) is a questionnaire that allows DES to conduct an extensive review of an Agency's procurement and contracting systems and practices.

Goals of the Risk Assessment Process

There are three goals for the Assessment process:

1. To provide each Agency with procurement authority that has been tailored to fulfill the Agency's mission.
2. To learn how each Agency manages the risks associated with its procurement and contract management functions.
3. To provide coaching to Agencies to improve their procurement and contract management practices.

What We Are Looking For

The Tool is designed to gather pertinent information related to each Agency's procurement and contracting profile. It has been extensively edited. In order to account for different Agency funding sources and accounting requirements, the time period of this Assessment (except for questions #3, #23 - #25, #33 and #47) is State Fiscal Year 2019 (July 1, 2018 through June 30, 2019).

Information provided in this Tool will be used by DES to assess your Agency's procurement and contracting risk management processes. Based on this assessment, DES will determine the purchase authority for your Agency.

DES wants to know how your Agency manages the risks associated with your procurement and contracting functions within the context of your Agency mission and operational structure. For this reason, the Tool is a narrative and your response should include a thorough, yet concise description of the areas of consideration set out in the Tool. The Tool outlines the information we believe will be helpful in the assessment process. If your Agency is aware of information that is relevant and important for us to know when we conduct this assessment, but is not included in the Tool, please share that information in additional pages attached to your response. For comparison purposes, your Agency's Tool responses for the previous risk assessment is included in the Supplemental Data tab. Click the button on the right to go to the previous risk assessment. If clicking the button does not work, try pressing the Esc key twice and click the button again.

One Tool should be completed for the entire Agency. Purchase authority will be granted at the Agency level. Please do not submit separate responses for different departments, sections or divisions. Responses that include multiple sets of answers will be returned to the Agency and will need to be

revised.

DES analysts will review your Agency's answers to the Tool and then have a discussion with your Agency to assure that we understand your procurement risk management processes. After the discussion, DES will determine your Agency's risk level. Agency risk levels may be High, Medium High, Medium Low, or Low; characteristics of each risk level are described in the next tab. DES will then determine what delegated purchase authority to provide to your Agency.

Risk Considerations

Please note that an assessment of "High Risk" in response to a single question does not necessarily mean an Agency will receive less delegated authority. By the same token, an assessment of "Low Risk" does not mean that an Agency will receive unlimited authority. The intent of this assessment is to reasonably determine how well an Agency manages risks through its procurement and contracting structure, the types of procurements and contracts most typically entered into by the Agency, and the knowledge, skills and abilities of Agency procurement and contracting staff.

After determining your Agency's risk level, a DES analyst will draft an assessment report. The draft report will be shared with the Agency point of contact for review, comments, etc. After the DES analyst completes this report, a specific Delegation of Authority recommendation will be forwarded to the DES Director. After the Director's review, your Agency will receive its Delegation, which will be valid until modified by the Director, or the next Procurement Risk Assessment.

"High Risk" means either:

- An Agency does not have a method to manage a procurement-related risk, or
- An Agency's management of procurement-related risk is ineffective.
- An Agency with this assessment requires extensive assistance with managing risks associated with its procurements. Also, the Agency may have few resources available to manage its procurement risks.

"Medium High Risk" means:

- An Agency manages some procurement-related risks well, but many risks are not adequately managed.
- An Agency with this assessment requires assistance with managing many of its procurement risks. In addition, the Agency may not have experience managing some procurement risks that will arise during the current reporting period.

"Medium Low Risk" means:

- An Agency manages most procurement-related risks well, or
- Nearly all Agency procurements do not require much risk management expertise.
- An Agency with this assessment may need assistance if new procurement risks arise during the reporting period. In this situation, Agency staff only need training programs of short duration, with little subsequent monitoring, in order to manage such risks.

"Low Risk" means:

- An Agency manages all priority procurement-related risks through the actions of experienced procurement staff, or
- An Agency relies on the expertise of an affiliated Agency (e.g., AGR and commodities

boards) to manage its procurement risks.

- An Agency with this assessment has had no procurement audit findings for the past five years. Procurement staff have extensive training on, and experience with managing procurements. In addition, the Agency has sufficient resources available to maintain its procurement risk management practices.

SAMPLE

Instructions

There are 4 sections of the risk assessment Tool in this spreadsheet to fill out. Please ensure you answer the questions thoroughly and completely. To the right on this sheet, you can see how many questions you have left to go. At the top of every survey section sheet, you can see how many questions are left on the page and your total progress completing the Tool. You will know when you are done when your progress is at 100% and you have zero questions remaining on each section.

For each question, please enter your response or choose Yes or No as directed in the question. The Yes or No questions are drop-down menus - click on the box that says "Choose Yes or No" and click on the arrow that pops up in the bottom right. This opens the drop-down menu where you may choose Yes or No.

Yes or No questions may require additional explanation based on your answer. In that situation, a box will pop up and will ask for the additional information that is required. If you are prompted to give the additional explanation, the question will not be considered complete until you add the information. If a box does not pop up, no additional information is needed for the question and your answer will be considered complete.

Additionally, you may be referred to other documents with agency-specific information and some have questions to fill out. These documents are in the Supplemental Files packet.

Please ensure you have answered all of the questions in all of the parts. If you have concerns about answering any of the questions, please contact Drew Zavatsky, Procurement Risk Assessment Administrator, for assistance either by email, drew.zavatsky@des.wa.gov, or by phone, (360) 407-7915.

When the Tool is completed, please print the Director's Signature page (found in the Supplemental Files packet) have it signed by your Director, scan, and email it to DelegatedAuthority@des.wa.gov and send a copy to Tara.Smith@des.wa.gov. Please retain the originals for your records.

Section 1 - General Information

Question 1: Agency Name

Please state your Agency name.

Question 2: Personnel

How many full-time employees did your agency have in FY 2019?

Question 3: Organizational Structure

Has your Agency changed its procurement organizational structure (please include hiring or replacing procurement personnel) since its last Assessment? Organizational changes can include that procurement has become centralized, or decentralized, or your Agency has developed or added a new business line.

In addition, did your Agency obtain new procurement staff? If so, how did you ensure that the new personnel would effectively manage procurement risk?

Question 4: Point of Contact

Please state the name, email address, and phone number of the single point of contact for your Agency for this assessment.

There are no more questions beyond this point. Please proceed to the next Section.

Section 2 - Risk Assessment

Question 5: Priority Risks

What are the top three procurement-related risks that your Agency currently manages? (Ex.: Subject Matter Experts do not consult with procurement professionals early in the process, jeopardizing funding; Agency leadership requires a purchase without necessary competition, etc.) Please describe your strategy for mitigating each of these risks.

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 6: Annual Spend – Goods

Please report your Agency's FY 2019 spending on goods

How does your Agency track this information? Include your parameters (objects, sub-objects, exclusions, etc.) used to calculate the total spend for this category.

Question 7: Annual Spend – Services

Please report your Agency's FY 2019 spending on services

How does your Agency track this information? Include your parameters (objects, sub-objects, exclusions, etc.) used to calculate the total spend for this category.

Question 8: Annual Spend - Information Technology

Please report your Agency's FY 2019 spending on information technology

How does your Agency track this information? Include your parameters (objects, sub-objects, exclusions, etc.) used to calculate the total spend for this category.

Question 9: Diverse Spending - Small Business

Please report your Agency's FY 2019 spending with Small/Micro/Mini Businesses (see RCW 39.26.010(22), (16), (17)).

How does your Agency track this information? Include your parameters (objects, sub-objects, exclusions, etc.) used to calculate the total spend for this category.

Question 10: Diverse Spending - Veteran-Owned

Please report your Agency's FY 2019 spending with Veteran-Owned Businesses (see RCW 43.60A.010(7)).

How does your Agency track this information? Include your parameters (objects, sub-objects, exclusions, etc.) used to calculate the total spend for this category.

Question 11: Diverse Spending - Minority and Women-Owned

Please report your Agency's FY 2019 spending with Qualified Minority and Women-Owned Businesses (see RCW 39.19.030). Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

How does your Agency track this information? Include your parameters (objects, sub-objects, exclusions, etc.) used to calculate the total spend for this category.

Question 12: Request for General Delegated Authority – Goods

How much General Delegated Authority does your Agency need in **Goods** procurement?

Question 13: Request for General Delegated Authority – Services

How much General Delegated Authority does your Agency need in **Services** procurement?

Question 14: Request for General Delegated Authority – IT

How much General Delegated Authority does your Agency need in **Information Technology** procurement?

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407- 7915.

Question 15: Request for Additional Delegated Authority - Special Projects

Does your Agency anticipate requesting additional authority for any special projects, including IT, in the next 2-3 years? If yes, please identify the special projects and provide supporting documentation per POL-DES-090-00(3).

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 16: Request for Additional Delegated Authority - Ongoing Projects

Does your Agency anticipate requesting additional authority for any ongoing projects? If yes, please identify the ongoing projects and provide supporting documentation.

Question 17: Procurement Reporting

In reviewing your Agency's FY 2019 annual contracts report, DES Analysts have identified certain questions on some of the contracts, that are provided in the Supplemental Files packet. Please review this document, the associated questions, and respond.

These questions typically include: a) Why were certain contracts designated a direct buy when they exceeded \$10k/\$13k; b) Why were certain contracts designated as sole source when DES had no record of the purchase; c) Why were certain contracts designated as exempt or exceptions to competitive solicitation requirements when the reasons did not appear to be supported or correct; and d) Why did certain contracts appear to exceed the Agency's delegated authority?

Question 18: IT Contracts Reporting

The reporting of IT Contracts was a requirement passed by the State Legislature in 2018. It became effective in FY 2019.

In reviewing your Agency's FY 2019 IT contracts report, DES Analysts have identified certain questions on some of the contracts, that are provided in the Supplemental Files packet. Please review this document, the associated questions, and respond before going to the next question.

Question 19: Sole Source

Your Agency made certain sole source requests that were either declined or were late; DES Analysts have certain questions, that are provided in the Supplemental Files packet. Please review this document, the associated questions, and respond.

These questions typically include a request to describe the remedial steps your agency has taken to improve its sole source process.

Question 20: Spending Not Reported to DES

For your Agency, how much spend was there for interagency, interlocal, or agreements that were not otherwise reported to DES in FY 2019 (this would include Memorandums of Understanding, e.g., an MOU with Washington State University for research)?

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 21: Training

Have your appropriate Agency staff completed all required DES Procurement and Contract Training, including the recent modules on PCBs and Contract Management (e.g., CM 102, 201, etc.)? If no, please explain.

Question 22: OCIO Oversight

Has your Agency complied with the OCIO IT Investments – Approval and Oversight Policy (#121) regarding its IT procurements in FY 2019? If no, please explain.

Question 23: Exceeding Authority

Has the Agency conducted any procurements in which it exceeded its delegated authority since the time of the last Risk Assessment? If yes, please describe the circumstances.

Question 24: Protests

Has the Agency had any procurement protests sustained since its last Assessment? If so, please describe your sustained procurement protests. If not, please describe your Agency's procedures for dealing with procurement protests.

Question 25: Sole Source Reporting in WEBS

Has the Agency had any procurements delayed due to inaccurate sole source reporting in WEBS since its last Assessment? If so, please describe the corrective actions taken to avoid future delays.

Questions?

Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 26: Emergency Spend Reporting

DES is providing the emergency purchases that have been reported in the Sole Source Database (SSCD) by your Agency in FY 2019. Is this list complete? If not, please list the missing emergency purchases and explain why they were not reported in the SSCD. Additionally, please describe your Agency's procedures for making emergency purchases.

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915. You can review the Agency specific data included in the Tool's Supplemental Files packet.

Question 27: Compliance

Has the Agency identified any circumstances in which it was out of compliance with procurement or contract management laws or policies? If yes, please describe these circumstances and corrective actions taken.

Question 28: Organizing Internal Procurement Requests – Permission

How does a business unit in your Agency obtain permission to conduct a procurement?

Question 29: Organizing Internal Procurement Requests - Signature Authority

Describe how your Agency documents and follows its delegation of signature authority for procurements. Please describe your process flow.

Question 30: Organizing Internal Procurement Requests - Permissible Scope

How does your Agency confirm that a proposed procurement is in alignment with spending plans, available budget and approval processes? Please provide the steps used in this process.

Thank you for completing all the questions in this section. Please continue to the next section.

SAMPLE

Section 3 - Socio-Economic Goals of Washington State

Question 31: Competition - Supplier Diversity

Has your agency submitted its agency inclusion plan with OMWBE, and provided veteran spend data to the Department of Veterans Affairs?

Please state the name and contact information for the agency leader(s) with the responsibility for increasing your agency's spending with small, minority, woman, and veteran-owned businesses.

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 32: Competition - Small, Minority, Woman, and Veteran Owned Businesses

Please explain how your agency is ensuring equal access and competition from small, minority, woman, and veteran owned businesses.

Please state the name and contact information for the agency leader(s) with the responsibility for increasing your agency's spending with small, minority, woman, and veteran-owned businesses.

Question 33: Increase Small Business Spending - Target Increase

What is your Agency's target increase in small business spending for the next five years (i.e. through FY 2023)? This total should include veteran-owned businesses (see RCW 43.60A.010(7)) and Qualified Minority and Women-Owned Businesses (see RCW 39.19.030). How will you achieve these targets?

Question 34: Fostering Small Business Spending – Outreach

Do you have a communication/outreach strategy plan for conducting outreach with small businesses? Please explain what effect this sharing has had to increase small business diverse spending. Please also state the name and contact information for the agency leader(s) with the responsibility for increasing your agency's spending with small businesses.

Question 35: Arbitration

Has your Agency implemented Executive Order 18-03, Supporting Workers' Rights to Effectively Address Workplace Violations ("when making purchasing and other procurement decisions, all state executive and small cabinet Agencies shall seek to contract with qualified entities and business owners that can demonstrate or will certify that their employees are not required to sign, as a condition of employment, mandatory individual arbitration clauses and class or collective action waivers")? How will your Agency implement its plan? Please include a timeline or target dates.

If "Yes", please describe how your Agency implemented EO 18-03.

If "No", how will your Agency implement its plan? Please include a timeline or target dates.

Question 36: Polychlorinated Biphenyls (PCBs)

Has your Agency incorporated PCB preferences into solicitation documents when appropriate? See POL- DES-280-00. If so, please email a copy of the preference language used by your agency to DelegatedAuthority@des.wa.gov.

Question 37: Washington-Grown Food

How does your Agency enhance the opportunity for suppliers and producers of Washington grown food to be considered for business? See POL-DES-090-09. Questions?

Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 38: Environmental Statutes

Please explain what your Agency does to comply with the requirements of the following laws: A) RCW 39.26.255, regarding the procurement of products containing recycled content; B) RCW 70.95M.060, regarding elimination of products containing mercury; C) RCW 39.26.265, regarding purchases of electronic products that meet environmental performance standards.

How will your Agency implement its plans? Please include a timeline or target dates.

Additionally, please email a copy of the recycled content plan to DelegatedAuthority@des.wa.gov

Question 39: Correctional Industries

Please explain what your Agency does to comply with the requirements of RCW 39.26.251, regarding increased purchases of goods and services from inmate work programs. How has your Agency implemented its plan?

Additionally, please provide a copy of your Agency's Correctional Industries purchasing plan to DelegatedAuthority@des.wa.gov

Question 40: Community Rehabilitation

Please explain what your Agency spend has been pursuant to RCW 39.26.230, regarding increased purchases of goods and services manufactured or provided by Washington State Certified Community Rehabilitation Programs.

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Thank you for completing all the questions in this section. Please continue on to other sections.

Section 4 – Procurement Management

Question 41: Performance-Based Contracts

Please explain what your Agency does to comply with RCW 39.26.180(3), inclusion of performance-based measures in contracts?

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 42: Vendor Management – Compliance

What is your Agency's approach to ensure vendor contract compliance and performance? How is the success of the approach measured?

Question 43: Vendor Management – Enforcement

What does your Agency do if it learns a vendor is out of compliance with a contract?

Question 44: Best Practices

What is your Agency's approach to sharing procurement and contract management best practices within the Agency? How does your Agency measure the benefits of this approach?

Question 45: Quality Control

How does your Agency ensure that its staff follows procurement- and contract management-related laws and policies?

Please provide specific details describing your Agency's practices in this area.

Questions? Please contact Drew Zavatsky at drew.zavatsky@des.wa.gov or (360) 407-7915.

Question 46: External Audit – Implementation

How does your Agency ensure external audit findings-related action plans are implemented (a copy of relevant audits are included in the Supplemental Files packet)?

Please provide the steps used in your process.

Question 47: External Audit - Management Letters

Has your Agency received any procurement- or contract-related Management Letters from the State Auditor's Office since your Agency's previous assessment? If yes, please email a copy of the letters and any responses to them to DelegatedAuthority@des.wa.gov

Question 48: External Audit - Current Audits

Is your Agency currently being audited (either federally or by the state) for its procurement- or contract- related practices? If yes, please describe these circumstances and corrective actions taken.

You have answered all questions in all sections!

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