



Frequently Asked Questions about Contractor Debarment

1. What is debarment?

Debarment is a process that can result in a business or person being prevented from bidding on or entering into any new contract to provide goods or services to the state. Under state law, the Department of Enterprise Services (DES) can debar or fine contractors who have a contract with an agency to perform a service or provide goods.

2. What are some of the reasons why a contractor could be debarred or fined?

Some reasons include:

- Conviction of any crime that affects the ability to perform the terms of a contract.
- Conviction of any crime or a final determination in a civil action that the contractor committed an offense involving dishonesty.
- Commits a violation of the state Medicaid or federal false claims act.
- Any other offense indicating a lack of business integrity or business.
- Violations of labor laws.
- Violation of provisions of previously awarded contracts.
- Deliberate failure, without good cause, to perform in accordance with the specifications or within the time limit provided in the contract.
- A recent record of failure to perform or unsatisfactorily perform in accordance with the terms of one or more contracts.
- Violation of the ethical limitation on gifts provisions under state law.
- Violation of ethics in public contracting standards under state law.

3. Why does the state need the authority to fine or debar a contractor?

It's good public policy. Debarment is based on the principle that the state should not conduct business with any company or person that practices serious unethical or illegal conduct, or has breached a public trust by engaging in dishonest practices in government contracting. Fining allows the state to use progressive enforcement tools.

4. How do I submit a debarment referral?

Enterprise Services has developed a debarment referral form that can be used. The form addresses the information that DES needs to evaluate a debarment referral, including:

- The name of the individual and/or entity you are referring for debarment
- The statutory basis for the debarment referral



- The specific factual information supporting the statutory basis for debarment; and
- Your contact information.

For additional guidance, please see the debarment referral form [instructions](#).

5. What is the process for debarment or fining a business or person?

The state has established [rules](#) that define the debarment process (WAC Chap 200-305). Generally, when Enterprise Services receives a debarment referral, it conducts an initial assessment, and when necessary, a more in-depth review (i.e., investigation). When a review is completed, a debarment recommendation is made.

If the business or person wishes to challenge the recommendation, they can request an administrative hearing. After the hearing, the director renders a final decision, which is subject to judicial appeal.

The state Legislature also gave DES the authority to fine businesses or individuals. The agency will conduct [rulemaking](#) in the fall of 2015 to define the process by which businesses or individuals may be fined.

6. Who can refer a business or person for debarment?

Anyone or any business can make a referral, which is the first step in the debarment process.

7. Will the business or person know who referred them for debarment?

Under state law, the person or firm making the debarment referral is not required to provide their contact information. Referrals are public documents and must be provided if a public record request is made.

8. Are debarments forever?

No. Debarment can be imposed for a maximum of three years. If a business or person is debarred, they also can petition for an early end to their debarment.

9. How will I know if a business or person has been debarred?

A list of debarred businesses will be posted on the DES [website](#). The party making the referral will be notified by Enterprise Services if they provided their contact information.