



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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December 10, 2010

OFM DIRECTIVE 10A-14

TO: Agency Directors and Policy Manual Users

FROM: /s/ Wendy Jarrett, Statewide Accounting Manager
Accounting Division

SUBJECT: Revisions to Chapters 15 and 16, Personal Service Contracts and Client Service Contracts

We have revised Chapters 15 and 16, Personal Service Contracts and Client Service Contracts, in Washington's *State Administration and Accounting Manual* (SAAM). This change is effective November 29, 2010.

In accordance with Executive Order (EO) 10-07 Performance-based Contracting, key changes to the contract policies include:

- Definition of Performance-based Contracting is added to Subsections 15.10.15 and 16.10.15.
- Reordered Subsections 15.40.20 and 15.40.25; and 16.20.20 and 16.20.25.
- Subsections 15.40.20 and 16.20.20 are modified for consistency with definition of performance-based contracting and requirements of EO 10-07.
- Subsections 15.40.20.a and 16.20.20.a are modified to require cabinet agency contracts to be performance-based.
- Subsections 15.40.20.c and 16.20.20.c are updated to allow a cabinet agency director to exempt contracts where use of performance-based standards would not be cost effective.
- Subsections 15.40.15.a, 15.40.30.c, 16.20.15.a, and 16.20.30.c are updated for consistency with EO 10-07.

Additional contract resources are also available on OFM's website at:

<http://www.ofm.wa.gov/contracts/default.asp>.

Questions regarding policy content and proper interpretation of the contract policies in Chapters 15 and 16 should be directed to the following OFM Contract Staff:

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The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

We encourage you to use the online version of SAAM. All OFM directives, policies, technical corrections, and superseded policies are available at: <http://www.ofm.wa.gov/policy/default.asp>.

If you are maintaining a hardcopy manual, a link to the replacement pages is available at: <http://www.ofm.wa.gov/policy/replacement-pages.asp>.