May 13, 2020

TO: Agency Directors

FROM: David Schumacher
Director

SUBJECT: INSTRUCTIONS TO IMPLEMENT PERSONAL SERVICES CONTRACTS AND EQUIPMENT PURCHASES FREEZE

In response to the state economy and financial outlook, effective May 18, 2020, the governor has directed state agencies under his authority to implement a freeze on signing new or amended personal services contracts and making nonessential equipment purchases. We have provided these instructions to guide agency implementation of the directive.

Exemption Process

Agencies may request additional exemptions from the freeze on personal services contracts and nonessential equipment purchases for critical state services or agency operations. Exemption requests submitted to OFM must demonstrate the exemption is necessary to provide critical services related to your agency’s continuity of operations. Exemption requests should be sent to OFM as instructed below.

Personal Services Contracts

The freeze on personal services contracts does not include contracts, contract amendments or other agreements related to:

- the protection of life or public safety,
- tax collection or other revenue generating activities,
- those funded exclusively from private or federal funding sources,
- approved information technology projects, and
- other essential categories as provided by guidelines established by OFM.

To request an exemption, an agency must submit a [personal services contract freeze exemption request form signed by the agency director](mailto:ExemptionRequest@ofm.wa.gov) to OFM at ExemptionRequest@ofm.wa.gov. If you have any questions about personal services contract exemptions, please contact Bonnie Lindstrom, OFM Contract Services Administrator, at (360) 688-3265 or Bonnie.Lindstrom@ofm.wa.gov.

Equipment Purchases

The freeze on equipment purchases does not apply to equipment:

- with a cost less than $5,000,
- necessary to protect life or public safety, or
- funded by private or federal grants.
Equipment means furniture, equipment, and software with a useful life of more than one year and an individual unit value of $5,000 or more, typically accounted for in Objects JB, JC and JQ (noted in Section 75.70.10 of the State Administrative and Accounting Manual). The prohibition covers both purchases and leases of equipment (Object EH).

To request an exemption, agencies must submit an equipment purchase freeze exemption request form signed by their director to OFM at ExemptionRequest@ofm.wa.gov. If you have any questions about the equipment purchases freeze, please contact Becci Riley, OFM Executive IT Contracts Administrator, at (360) 522-3575 or Becci.Riley@ofm.wa.gov.

Thank you for your assistance in following these procedures to implement the governor’s directive.