

**Small Works Roster
Direct Contracting
Sample Rotation Policy**

1.0 Purpose

This document provides policy and implementation guidance regarding small works roster direct contracting rotation.

As required under RCW 39.04.152(4)(b) when an authorized local government or state elects to direct contract, rotation of contractors is required.

This policy applies exclusively to small works roster direct contracting procurements.

2.0 Policy

- A. It is the [authorized local governments/agency's] policy to **equitably distribute contracting opportunities** to small and diverse businesses on the small works roster.
- B. When project(s) are estimated to cost \$150,000 or less, a rotation contractors must be used in accordance with this policy on every **direct contracting** procurement, when the [agency] has more than one procurement in a single project type and category within a **12-month or 1-year period.**
- C. Documentation evidencing compliance with this policy, shall be included with each small works direct contracting procurement record.
- D. Each procurement opportunity under which direct contracting is used shall also be consistent with the [agency's] "Small Business" **Utilization Plan.**
- E. It is [agency's] policy not to favor certain contractors on a project specific roster by repeatedly awarding contracts without Rotation Documentation. (RCW 39.04.152(4)(b)(iv).

3.0 Implementation

A. Project Specific Roster/List of Businesses

A *list of contractors* to which "rotation" must be applied is generated by starting a solicitation, selecting a project type and category [of work] then the [statewide] roster produces a **project specific roster.**

B. Six or more Small Businesses

If the **project specific roster** contains 6 or more Small Businesses, *rotation* must be applied to those Small Businesses.

Rotation Process: *Rotation is applied by reviewing the date of the last contract with business on the project specific roster in the order they appear. If the last contracted date is within a 12-month period, the next business on the project specific roster is reviewed. This review approach is to continue until a business that has not been contracted with in the last 12-month period is identified.*

Once the rotated contractor is identified, they are sent a procurement package in accordance with the **Small Works Direct Contracting Negotiation** policy/procedure.

C. Five or fewer Small Businesses

If the **project specific roster** contains 5 or fewer Small Businesses, rotation must be applied to all businesses within the project specific roster.

Rotation Process is applied. Once the rotated contractor is identified, they are sent a procurement package in accordance with the **Small Works Direct Contracting Negotiation** policy/procedure.

D. No Small Businesses

If there are no Small Businesses listed on the **project specific roster**, rotation must be applied to all businesses.

Rotation Process is applied. Once the rotated contractor is identified, they are sent a procurement package in accordance with the **Small Works Direct Contracting Negotiation** policy/procedure.

E. One Business

If there is only one business on the **project specific roster**, rotation is not practicable. Documentation will include the project specific roster to demonstrate the single contractor.

Once the contractor is identified, they are sent a procurement package in accordance with the **Small Works Direct Contracting Negotiation** policy/procedure.

F. Rotation Documentation

Procurement staff shall document the process and approach used to rotate through responsible contractors on a project specific roster. Documentation could include, but is not limited to, printing the project specific roster, and noting each contractor considered through review of their “last contracted” date and reference to the Small Business Utilization Plan. Staff are encouraged to use the “Rotation Documentation Form.”

G. Multiple Procurements in the same Project Type and Category

Procurement staff are encouraged to use **the same project specific roster** and rotate starting at the bottom of the list when procurements for the same Project Type and

Category are anticipated. This approach provides the maximum practicable opportunities to rotate through the same list of contractors and equitably distribute work among all Small Businesses in registered in a project type and category. (e.g., 3 roof replacements in a 12-month period, goes to 3 different roofers).

H. Notification

At the conclusion of negotiations with the directly selected, rotated contractor, procurement staff must send notification to all the *small businesses* on **the project specific roster** of the selection which includes the basis of rotation as documented.

I. Rotated Businesses Decline to Negotiate

If rotated business declines to negotiate, procurement staff will first attempt to negotiate with the next rotated business. If all rotated businesses decline to negotiate, procurement staff can elect to revert the solicitation to the competitive process and invite all businesses on a project specific roster, cancel the solicitation all together, or publicly bid. Procurement staff are encouraged to ask contractors that decline the reason.

4.0 Definitions

- A. **Small Works Roster** has the same meaning as RCW 39.04.151-154.
- B. **Direct Contracting** means the ability to select one contractor and negotiate a price for a public works project that is estimated to cost \$150,000 or less in accordance with RCW 39.04.152(4)(b) applicable policies.
- C. **Small Business** means the same as RCW 39.04.010(7).
- D. **Small Business Utilization Plan** means the same as described in RCW 39.04.152(4)(b)(iv).
- E. **Project Specific Roster** means the same as “appropriate roster” or “applicable roster” and is the specific list of businesses generated for an individual solicitation.
- F. **Rotation** means identifying a contractor not previously awarded in in the same project type and category.
- G. **Rotation Documentation** means the documented process procurement staff used to ensure compliance with this policy.

5.0 Supporting Policies

The following policies/procedures support and may apply to small works roster, direct contracting rotation.

- A. Small Works Roster (general) policy
- B. Direct Contracting Policy
- C. Negotiations Policy
- D. “Small Business” Utilization