

WAC 200-320-306 Cost evaluation criteria. (1) An agency shall compare its current service cost against the total cost of contracting with the most responsive employee business unit and nonemployee business unit as part of its evaluation process.

(2) The total cost of contracting shall not include solicitation related costs such as, but not limited to:

- (a) An evaluator's time;
- (b) Bid-related expenses; or
- (c) The cost of complaints or appeal.

(3) The most responsive employee and nonemployee business unit's bid shall include, but is not limited to:

(a) Bid price. The nonemployee business unit's bid price will include any applicable state tax paid by the agency on the purchase of services;

(b) Required one-time, transition, or start-up costs for implementing the proposal and recognized during the contract in the year those costs would be incurred; and

(c) Inflation assumptions.

(4) An agency shall adjust the bids of the most responsive employee and nonemployee business unit in accordance with the following factors:

(a) The agency's conversion or transition costs relative to each bid;

(b) Contract administration costs incurred by the agency to administer either contract. Contract administration costs may differ depending on the performance monitoring requirements of the agency;

(c) Revenue impact to the state from changes to the tax base or collections that would result from an award of a contract to perform the service. Examples include, but are not limited to, state sales and use, business and occupation, inventory, fuel, and real estate tax; provided that a revenue impact does not mean, nor imply, that any added fees or charges for state services may be part of a bid.

(5) Agencies shall consider costs associated with the state's assumed risks in the evaluation of bid costs. If the agency cannot reasonably estimate the state's assumed risk costs, the agency shall structure the solicitation to eliminate these costs from the evaluation process. These costs include, but are not limited to:

(a) Insurance. Agencies shall calculate casualty, liability and property insurance premiums in cost estimates and enter these costs as appropriate for assets and risk coverage.

(b) Performance bonds. When a solicitation requires nonemployee business unit bidders to provide a performance bond, the agency shall exclude the cost from the nonemployee business unit's bid price. The solicitation bid structure should facilitate the elimination of this cost from the nonemployee business unit's bid.

[Statutory Authority: 2011 c 43. WSR 11-23-093, recodified as § 200-320-306, filed 11/17/11, effective 11/17/11. Statutory Authority: RCW 41.06.142. WSR 04-07-104, § 236-51-306, filed 3/17/04, effective 7/1/05.]