

WSU Purchasing Freeze Guidance

Background: On May 13, 2020, the Governor signed an executive order [Governor's Directive](#) taking effect on May 18, 2020 placing a freeze on hiring, personal services contracts and equipment and software costing more than \$5,000. Effective immediately and until further notice, WSU has elected to adopt the Governor's recommendation and enact a freeze on non-essential personal services contracts and discretionary purchases of equipment and software except as outlined below.

Personal Services Contracts

The freeze applies to new personal services contracts and amendments to existing personal services contracts unless one of the below exception criteria are met. Exceptions require administrative level approval. The process for exception approval follows under the Processing Guidelines.

- 1) Funded exclusively from donated (fund 846), capital appropriation (funds 057 and 062), federal or other sponsored program sources (funds 145 and 143);
(Other sources of funding are referred to as frozen fund types in this document)
- 2) Directly related to the protection of life or public safety;
- 3) Directly related to revenue-generating activities.

Equipment and Software Purchases

The freeze applies to acquisition of equipment and software unless one of the below exception criteria are met. Exceptions require administrative level approval. The process for exception approval follows under the Processing Guidelines.

- 1) Cost less than \$5,000 (processed as normal),
- 2) Directly related to the protection of life or public safety,
- 3) Directly related to revenue-generating activities.
- 4) Funded by exclusively by donated (fund 846), capital appropriation (funds 057 and 062), federal or other sponsored program sources (funds 145 and 143).

Processing Guidelines:

For requisitions with fund types exempted from the freeze:

Requisitions for personal service contracts and amendments, equipment and software purchases funded exclusively from donated, capital appropriation, federal or other sponsored program sources, will be processed by Purchasing Services as normal.

For requisitions with frozen fund types:

Any requisition for a personal services contract, contract amendment, software agreement or equipment purchase on the frozen fund types must be accompanied by a Freeze Exemption Request form.

The Freeze Exemption Request form is posted at <https://purchasing.wsu.edu/2020-purchasing-freeze/> and must have the signature of the appropriate Chancellor, Vice-President, or Dean; indicating either approval as to meeting one of the above criteria and/or the criticality of the purchase and the unit's ability to cover the cost within existing resources, without the use of carryforward.

Frequently Asked Questions:

- 1. Are Minor Capital Renewal (MCR) or Major Capital Funds for approved projects frozen?**
No. Minor and Major capital projects funded by the capital budget (“capital appropriation”) will be processed as normal.
- 2. Can local funds be used for personal service contracts, equipment or software purchases?**
Only by approved exception. Local funds are subject to the freeze guidelines.
- 3. What about lab or other equipment associated with startup commitments?**
Equipment purchases are subject to the freeze guidelines above.
- 4. Why is software included as part of the freeze?**
Deployment of software, while often a source for future efficiencies, can entail significant direct and indirect costs. As such, software purchases are subject to the freeze guidelines above.
- 5. Is the freeze in place effective immediately?**
Yes.
- 6. What if my requisition was submitted to the Purchasing Office prior to the freeze effective date?**
Purchasing Services has been directed to implement the freeze immediately. Any requisitions that are in process will need the additional administrative approval as indicated above by submitting a Purchase Freeze Exemption Request Form.
- 7. What if my requisition is split-funded, but includes one of the frozen fund types?**
It needs senior level approval described above. The freeze applies to any expenditure not on the above allowable fund types and will apply regardless of the amount applied to a purchase.
- 8. What if the competitive process and contract negotiations have been completed, but a contract has yet to be signed?**
If on the frozen fund types, the departmental administration will need to determine if executing the contract is warranted and it would need a Freeze Exemption Request Form.
- 9. Are purchased services agreements subject to the freeze?**
Purchased services that support the operations of the University (such as interpreters, janitorial services, maintenance agreements, etc.) will generally be exempt from the freeze. If you are unsure, please contact WSU Purchasing Services.
- 10. Are client service contracts exempt from the freeze?**
Yes.
- 11. Does the \$5,000 limit for equipment and software include shipping, tax and other fees?**
Yes. The limit applies to the total cost of the purchase.
- 12. Do I need approval for a contract amendment that extends maintenance, software subscription, and/or support for installed equipment or software?**
No. These types of agreements to extend the useful life of already installed software or equipment are not subject to the freeze.

13. Are operating leases for equipment subject to the freeze?

Yes. The freeze applies to both purchases and operating leases of equipment.

14. Does the freeze apply to new Software-as-a Service (SaaS) agreements or other new software subscriptions?

Yes.

15. What if I have a list of items that do not together make up a piece of equipment or system meeting the capitalization definition for equipment that when combined exceeds the \$5,000 threshold?

If a group of items does not meet the criteria for capitalized equipment, the purchase is not subject to the freeze.

16. The Governor's Directive mentions personal services contracts exceeding \$5,000 as being subject to the freeze, is this the same for WSU's freeze?

Unless exempted from the freeze by fund type, personal services contracts in any amount are subject to the freeze.

17. Are purchases with a new employee's startup funds exempt from the freeze? The startup package was included as part of the employee's offer letter.

If such purchases are on the frozen fund types described in the Freeze Guidance, they are subject to the freeze.

Does the Dean need to approve each purchase included in a startup package?

One Exemption Approval Form for startup related purchases subject to the freeze may cover all purchases funded by the new employee's startup package. Send a copy of the signed Exemption Approval Form with each requisition.