

HOUSE OF REPRESENTATIVES

Olympia Washington

BilAnalysis

BilNo. HB 1193

Controlling personal service contracts
Brief title

Public Arg: 2/7/97

Reps. D. Schmidt/Dunn/Thomas
Sponsor

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BACKGROUND:

A personal services contract is an agreement with a consultant to provide professional or technical expertise to accomplish a specific study, project, task, or other work statement. An agency may only enter into a personal services contract to resolve a particular agency problem or to expedite a specific temporary project. The agency must demonstrate that the service is critical to agency responsibilities, is mandated or authorized by the Legislature, sufficient staffing expertise is not available within the agency to perform the service, and other qualified public resources are not available to perform the service.

Personal services contracts generally must go through a competitive solicitation process unless it is an emergency contract, sole source contract, a contract amendment, or a contract of less than \$10,000. A contract of \$2,500 or more but less than \$10,000 must have documented evidence of competition. The Office of Financial Management (OFM) must approve any sole source contract of \$10,000 or more. The dollar threshold for competitive solicitation has not been adjusted for many years.

The competitive solicitation process requires an agency to conduct a documented formal process providing an equal and open opportunity for qualified parties to participate. The selection criteria must include factors such as the consultant fees, ability, capacity, experience, reputation, responsiveness, time limitations, and solicitation requirements, quality of previous performance, and compliance with laws relating to contracts or services. If a personal services contract is subject to competitive solicitation, any subcontract of that contract is also subject to competitive solicitation requirements.

Copies of personal services contracts which are subject to competitive solicitation, which are sole source, or which have a substantial amendment made to them, or which are an emergency, must be filed with the OFM and the Joint Legislative Audit and Review Committee (JLARC).

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SUMMARY:

The threshold amount for a personal services contract to be subject to competitive solicitation requirements is raised from \$10,000 to \$15,000. Contracts of \$5,000 or greater but less than \$15,000 must have documented evidence of competition. The Office of Financial Management (OFM) must approve any sole source contract of \$15,000 or more.

At the beginning of each biennium, the Director of OFM may adjust the dollar threshold for personal service contracts by an amount not to exceed the percentage increase in the implicit price deflator. The adjusted dollar threshold must be rounded to the nearest \$500 increment.

The provisions mandating a subcontract to comply with competitive solicitation requirements if the underlying personal services contract was subject to competitive solicitation are repealed.

The Joint Legislative Audit and Review Committee (JLARC) no longer receives copies of personal service contracts that are sole source, competitive solicited, which have substantial amendments made to them.

FISCAL NOTE: Requested February 2, 1997.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill passed.