CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2880

Chapter 231, Laws of 1998

55th Legislature
1998 Regular Session

TASK FORCE ON AGENCY VENDOR CONTRACTING PRACTICES

EFFECTIVE DATE: 6/11/98

Passed by the House March 10, 1998
Yeas 98  Nays 0

[Signature]
Speaker of the House of Representatives

Passed by the Senate March 6, 1998
Yeas 46  Nays 2

[Signature]
President of the Senate

Certification

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2880 as passed by the House of Representatives and the Senate on the dates hereon set forth.

[Signature]
Chief Clerk

Approved March 30, 1998

[Signature]
Governor of the State of Washington

FILED

March 30, 1998 - 3:10 p.m.
AN ACT Relating to state agency personal service contract guidelines; creating new sections; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The legislature finds that the practice of engaging nonprofit entities to provide social services by use of fee-for-services and/or client services contracts has become necessary to effective state agency operations. The legislature further finds that there is a need to fundamentally examine how state contracts of this type are managed. Thus, the legislature intends that a comprehensive study take place that will identify methods for improving state-wide practices relating to fee-for-services and client services contracts.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this act, unless the context clearly requires otherwise.

(1) "Agency" means every state office, department, division, bureau, board, committee, or other state agency.

(2) "Task force" means the task force on agency vendor contracting practices.
(3) "Contractor" means any nonprofit entity holding a fee-for-services and/or client services contract or grant for the provision of social services with the state of Washington, as defined in chapter 39.29 RCW.

(4) "Contract" means any fee-for-services and/or client services contract or grant for the provision of social services as defined in chapter 39.29 RCW.

NEW SECTION. Sec. 3. A task force on agency vendor contracting practices is established. The task force shall be convened by the office of financial management and shall be composed of nine members to be appointed by the director of the office of financial management. Two members of the task force shall be chosen as representatives of contractors. Two members of the task force shall be chosen for their personal work experiences as state employees responsible for administering contracts. All other task force members shall be selected for their knowledge and experience with state agency practices governing contracts. The director of the office of financial management shall appoint a chair from among the members of the task force. The task force shall invite and incorporate the participation of interested legislative members.

NEW SECTION. Sec. 4. (1) The task force shall review and propose legislative and administrative recommendations for the following issues:

(a) The adequacy of chapter 39.29 RCW in governing agency contract management. Such a review shall include, but is not limited to, whether the exemptions contained in RCW 39.29.040 (4) and (6) are appropriate in maintaining agency oversight and accountability for moneys used to engage contractors;

(b) Process improvements that ensure adequacy of contract oversight and provide accountability for taxpayer moneys, including the specific roles of the office of financial management and other state agencies in ensuring the accountability of public funds;

(c) The appropriate level of state reimbursement which will determine which contractors are eligible to be audited by the office of the state auditor using his/her authority under RCW 43.88.570. The task force shall additionally recommend appropriate funding resources for the office of the state auditor to exercise its authority to audit.
nonprofit corporations who provide personal services to a state agency or to clients of a state agency, under chapter 43.09 RCW, and nongovernmental entities under RCW 43.88.570;

(d) Whether uniform contract guidelines as exemplified by those adopted in other states, such as Texas, are appropriate or necessary, and the adequacy of current contract requirements and practices for contractor selection and award, contract compliance with state and federal standards, contract management and monitoring, accounting methods, payment mechanisms, postcontract procedures, contract legal remedies and performance audits, sanctions to ensure contract compliance, and financial reporting.

(2) The task force may utilize a cost-benefit analysis in preparing its recommendations. The task force shall develop proposed procedures, policies, and guidelines, and, if necessary, proposed legislation or administrative rules, to address the issues of its review.

NEW SECTION. Sec. 5. The task force, where feasible, shall collaborate with individuals from the public and private sector and may ask such persons to establish an advisory committee. Agencies shall cooperate with the office of financial management and provide the task force with support and assistance necessary to carry out the purposes of this act. The task force may consider the suggestions of agencies in preparing its recommendations, including any findings and information provided by the joint legislative audit and review committee.

NEW SECTION. Sec. 6. The task force, where feasible, shall use office of financial management staff and facilities. The office of financial management may hire additional staff with specific technical expertise if such expertise is necessary to carry out the mandates of the study in this act. Each member of the task force is eligible to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 7. By November 1, 1999, the task force shall report its findings to the director of financial management, to the house of representatives vendor contracting and services select committee or to the most appropriate house of representatives standing committee in the event that the vendor contracting and services select
committee no longer exists, and to the senate committee on government operations.

NEW SECTION. Sec. 8. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 9. This act expires January 1, 2000.

NEW SECTION. Sec. 10. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 1998, in the omnibus appropriations act, this act is null and void.

Passed the House March 10, 1998.
Passed the Senate March 6, 1998.
Approved by the Governor March 30, 1998.
Filed in Office of Secretary of State March 30, 1998.