

HOUSE BILL ANALYSIS

HB 2738

Title: AN ACT Relating to state agency personal service contracting practices.

Brief Description: Giving the office of financial management oversight over state agency personal service contracting practices.

Sponsor: Dickerson, Clements.

BRIEF SUMMARY

- Requires the Office of Financial Management to develop guidelines and provide training for the effective and efficient management of personal service and client service contracts.
- Requires agencies to follow the guidelines when entering into personal service or client service contracts.
- Requires the Office of Financial Management to provide training for state agency personnel entering into and managing personal service and client service contracts.

HOUSE STATE GOVERNMENT COMMITTEE

Staff: Jim Morishima (786-7191)

BACKGROUND:

State agencies enter into a variety of contracts, including contracts for personal services and client services. Personal service contracts are contracts with consultants to provide professional or technical expertise to accomplish a specific study, project, task, or other work statement. An example of a personal service contract would be a contract for a statistical analysis.

Client service contracts are a type of personal service contract. Client service contracts are contracts for services provided directly to agency clients including, but not limited to, medical and dental services, employment and training programs, residential care, and subsidized housing. An example of a client service contract would be a contract to provide job training programs to unemployed workers.

Most personal service contracts over \$20,000 must be competitively bid. Competitively bid personal service contracts must be filed with the Office of Financial Management (OFM). Certain competitively bid personal service contracts must also be approved by the OFM. Client service contracts are not subject to these requirements.

SUMMARY:

The OFM must adopt uniform guidelines for the effective and efficient management of personal service contracts and client service contracts by all state agencies. The guidelines must cover subjects relating to effective and efficient contract management including accounting methods, performance measures, and contract monitoring.

Agencies entering into personal service and client service contracts after January 1, 2001 must follow the OFM guidelines. Agencies must provide the OFM with a report detailing the procedures used in entering into and managing the contracts. The OFM may conduct periodic audits to ensure that agencies are following the guidelines.

The OFM must provide a training course on effective and efficient contract management. Beginning January 1, 2002, all agency employees entering into or managing personal service or client service contracts must have completed the training.

In addition to competitively bid personal service contracts, agencies must file all client service contracts with the OFM.

Rule Making Authority: The OFM must adopt the guidelines by rule.

Appropriation: None.

Fiscal Note: Requested January 31, 2000

Effective Date: Section 1 of the act takes effect immediately. Sections 2 and 3 take effect January 1, 2001. Sections 4 and 5 take effect ninety days after adjournment of session in which bill is passed.