
Higher Education Committee

HB 2585

Brief Description: Creating efficiencies for institutions of higher education.

Sponsors: Representatives Springer, Haler, Eddy, Seaquist and Zeiger.

Brief Summary of Bill

- Exempts institutions of higher education from certain competitive contracting requirements for: goods and services purchases of \$100,000 or less; and personal service contracts of less than \$100,000.
- Authorizes institutions of higher education to: make advance payments for certain equipment maintenance services; implement compensation changes for certain health care classifications; and make payments of salaries and wages using alternate methods.

Hearing Date: 1/25/12

Staff: Jill Reinmuth (786-7134).

Background:

Institutions of higher education and state agencies are subject to certain rules on procurement and employment.

Goods and Services. Purchases and sales must be based on competitive bids, and formal sealed, electronic, or web-based procedures must be used as standard procedure for purchases and contracts executed by agencies, including educational institutions. However, formal sealed, electronic, or web-based competitive contracting is not required for purchases such as: purchases by institutions of higher education of specialized equipment, instructional, and research material; purchases by universities for hospital operations; and certain purchases for resale by institutions of higher education.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Personal Services. Personal service contracts must be based on a competitive solicitation process except for emergency contracts, sole source contracts, contract amendments, and contracts of less than \$20,000. Contracts of \$5,000 or more, but less than \$10,000, must have documented evidence of competition. Contracts of \$10,000 or more, but less than \$20,000, must have documented evidence of competition, including agency posting of the opportunity on the common vendor registration and bid notification system.

Equipment Maintenance Services. Payments for periodic maintenance services performed on state-owned equipment may be made only if a written contract for such services is in effect. Payments may not be made in advance for equipment maintenance services to be performed more than 12 months after such payment.

Compensation; Health Care Classifications. Civil service rules, including a comprehensive classification plan and compensation system for all positions in the classified service, must be adopted by the Human Resources Director within the Office of Financial Management. These rules may include special competitive salary ranges for institutions of higher education. These rules must provide for local administration and management by institutions of higher education, subject to periodic audit and review by the Human Resources Director.

Compensation; Direct Deposit. Upon written request of at least 25 employees, payments of salaries and wages may be paid to a financial institution for credit to the employees' accounts in that institution, or for immediate transfer to the employees' accounts in other financial institutions.

Summary of Bill:

Certain rules on procurement and employment are modified for institutions of higher education.

Goods and Services. Institutions of higher education are exempt from formal sealed, electronic, and web-based competitive bidding requirements for goods and services purchases of \$100,000 or less. However, for purchases between \$10,000 and \$100,000, institutions must: secure quotations from at least three vendors; invite at least one quotation each from a certified minority-owned vendor and a certified woman-owned vendor qualified to perform the work; and keep documented records of such competition for audit purposes.

Personal Services. Institutions of higher education are exempt from competitive solicitation requirements for personal service contracts that are less than \$100,000 with a single entity within a fiscal year. However, for personal service contracts of \$10,000 or greater, but less than \$100,000, institutions must document evidence of competition.

Equipment Maintenance Services. Institutions of higher education may make payments in advance for equipment maintenance services to be performed up to 60 months (instead of up to 12 months) after such payment.

Compensation; Health Care Classifications. Institutions of higher education may implement compensation changes for health care special pay and other health care classifications. Such changes include, but are not limited to, increases in salary ranges, new top steps in salary ranges,

premium pay, and adjustments for community practices. Institutions must report such changes annually to the Human Resources Director within the Office of Financial Management.

Compensation; Direct Deposit. Institutions of higher education may make payments of salaries and wages via direct deposit. Such authority is not contingent upon the written request of at least 25 employees. Institutions also may provide alternate payment methods, such as payroll cards, for employees who do not have an account in a financial institution.

Appropriation: None.

Fiscal Note: Requested on January 23, 2012.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.