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5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 39.29.003 and 1987 c 414 s 1 are each amended to read
8 as follows:

9 It is the intent of this chapter to establish a policy of open
10 competition for all personal service contracts entered into by state
11 agencies, unless specifically exempted under this chapter. It is
12 further the intent to provide for legislative and executive review of
13 all personal service contracts (~~((negotiated without an open competitive
14 process))), to centralize the location of information about personal
15 service contracts for ease of public review, and ensure proper
16 accounting of personal services expenditures."~~

17 "Sec. 2. RCW 39.29.018 and 1987 c 414 s 5 are each amended to read
18 as follows:

19 (1) Sole source contracts, and modifications thereto, shall be
20 filed with the office of financial management and the legislative
21 budget committee and made available for public inspection at least ten
22 working days prior to the proposed starting date of the contract.
23 Documented justification for sole source contracts shall be provided to
24 the office of financial management and the legislative budget committee
25 when the contract is filed.

26 (2) The office of financial management shall approve sole source
27 contracts of ten thousand dollars or more, and modifications thereto,

1 before any such contract or modification becomes binding and before any
2 services may be performed under the contract. These requirements shall
3 also apply to sole source contracts of less than ten thousand dollars
4 if the total amount of such contracts, including their modifications,
5 between an agency and the same consultant is ten thousand dollars or
6 more within a fiscal year. The office of financial management shall
7 ensure that the costs, fees, or rates negotiated in filed sole source
8 contracts of ten thousand dollars or more are reasonable."

9 "Sec. 3. RCW 39.29.040 and 1987 c 414 s 7 are each amended to read
10 as follows:

11 This chapter does not apply to:

12 ~~(1) ((Contracts specifying a fee of less than two thousand five~~
13 ~~hundred dollars if the total of the contracts from that agency with the~~
14 ~~contractor within a fiscal year does not exceed two thousand five~~
15 ~~hundred dollars;~~

16 ~~(2))~~ Contracts awarded to companies that furnish a service where
17 the tariff is established by the utilities and transportation
18 commission or other public entity;

19 ~~((3))~~ (2) Intergovernmental agreements awarded to any
20 governmental entity, whether federal, state, or local and any
21 department, division, or subdivision thereof;

22 ~~((4))~~ (3) Contracts awarded for services to be performed for a
23 standard fee, when the standard fee is established by the contracting
24 agency or any other governmental entity and a like contract is
25 available to all qualified applicants;

26 ~~((5))~~ (4) Contracts for services that are necessary to the
27 conduct of collaborative research if prior approval is granted by the
28 funding source;

29 ~~((6))~~ (5) Contracts for client services;

1 (~~(7)~~) (6) Contracts for architectural and engineering services as
2 defined in RCW 39.80.020, which shall be entered into under chapter
3 39.80 RCW; and

4 (~~(8)~~) (7) Contracts for the employment of expert witnesses for
5 the purposes of litigation, except that such contracts shall be filed
6 within the same time period as emergency contracts."

7 "NEW SECTION. Sec. 4. A new section is added to chapter 39.29 RCW
8 to read as follows:

9 Personal services may be procured only to resolve a particular
10 agency problem or issue or to expedite a specific project that is
11 temporary in nature. An agency may procure personal services only if
12 it documents that:

13 (1) The service is critical to agency responsibilities or
14 operations, or is mandated or authorized by the legislature;

15 (2) Insufficient staffing or expertise is available within the
16 agency to perform the service; and

17 (3) Other qualified public resources are not available to perform
18 the service."

19 "NEW SECTION. Sec. 5. A new section is added to chapter 39.29 RCW
20 to read as follows:

21 (1) The following personal service contracts, and modifications
22 thereto, shall be filed with the office of financial management and be
23 made available for public inspection at least ten working days prior to
24 the proposed starting date of the contract:

25 (a) Personal service contracts subject to competitive solicitation,
26 and modifications thereto, that provide services relating to management
27 consulting, organization development, marketing, communications,
28 employee training, or employee recruiting; and

1 (b) Modifications to personal service contracts subject to
2 competitive solicitation that substantially change the scope or cost of
3 work to be performed.

4 (2) The office of financial management shall approve personal
5 service contracts, and modifications thereto, required to be filed in
6 subsection (1) of this section before such contracts, and modifications
7 thereto, become binding and before any services may be performed under
8 such contracts."

9 "NEW SECTION. Sec. 6. A new section is added to chapter 39.29 RCW
10 to read as follows:

11 The office of financial management shall maintain a publicly
12 available list of all personal service contracts entered into by state
13 agencies during each fiscal year. The list shall identify the
14 contracting agency, the contractor, the purpose of the contract,
15 effective dates and periods of performance, the cost of the contract
16 and funding source, any modifications to the contract, and whether the
17 contract, including modifications thereto, was competitively procured
18 or awarded on a sole source basis. The office of financial management
19 shall also ensure that state accounting definitions and procedures are
20 consistent with RCW 39.29.006 and permit the reporting of personal
21 services expenditures by agency and by type of service. Designations
22 of type of services shall include, but not be limited to, management
23 and organizational services, legal and expert witness services,
24 financial services, computer and information services, social or
25 technical research, marketing, communications, and employee training or
26 recruiting services."

27 "NEW SECTION. Sec. 7. A new section is added to chapter 39.80 RCW
28 to read as follows:

1 Contracts entered into by any state agency for architectural and
2 engineering services, and modifications thereto, shall be filed with
3 the office of financial management at least ten working days before the
4 proposed starting date of the contract."

5 **SHB 1133** - H COMM AMD
6 By Committee on Appropriations

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8 On page 1, line 1 of the title, after "contracts;" strike the
9 remainder of the title and insert "amending RCW 39.29.003, 39.29.018,
10 and 39.29.040; adding new sections to chapter 39.29 RCW; and adding a
11 new section to chapter 39.80 RCW."