
ENGROSSED SUBSTITUTE HOUSE BILL 1133
CORRECTED COPY

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on State Government (originally sponsored by Representatives Valle, Ferguson, Belcher, Bowman, Sprenkle, Brekke, Pruitt, Dellwo, Sheldon, Morris, Jones, Betrozoff and Orr).

Read first time March 1, 1991.

1 AN ACT Relating to personal service contracts; amending RCW
2 39.29.003, 39.29.018, and 39.29.040; adding new sections to chapter
3 39.29 RCW; and adding a new section to chapter 39.80 RCW.

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

5 **Sec. 1.** RCW 39.29.003 and 1987 c 414 s 1 are each amended to read
6 as follows:

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

1 **Sec. 2.** RCW 39.29.018 and 1987 c 414 s 5 are each amended to read
2 as follows:

3 (1) Sole source contracts, and modifications thereto, shall be
4 filed with the office of financial management and the legislative
5 budget committee and made available for public inspection at least ten
6 working days prior to the proposed starting date of the contract.
7 Documented justification for sole source contracts shall be provided to
8 the office of financial management and the legislative budget committee
9 when the contract is filed.

10 (2) The office of financial management shall approve sole source
11 contracts of ten thousand dollars or more, and modifications thereto,
12 before any such contract or modification becomes binding and before any
13 services may be performed under the contract. These requirements shall
14 also apply to sole source contracts of less than ten thousand dollars
15 if the total amount of such contracts, including their modifications,
16 between an agency and the same consultant is ten thousand dollars or
17 more within a fiscal year. The office of financial management shall
18 ensure that the costs, fees, or rates negotiated in filed sole source
19 contracts of ten thousand dollars or more are reasonable.

20 **Sec. 3.** RCW 39.29.040 and 1987 c 414 s 7 are each amended to read
21 as follows:

22 This chapter does not apply to:

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

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

1 (~~(3)~~) (2) Intergovernmental agreements awarded to any
2 governmental entity, whether federal, state, or local and any
3 department, division, or subdivision thereof;

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

8 (~~(5)~~) (4) Contracts for services that are necessary to the
9 conduct of collaborative research if prior approval is granted by the
10 funding source;

11 (~~(6)~~) (5) Contracts for client services;

12 (~~(7)~~) (6) Contracts for architectural and engineering services as
13 defined in RCW 39.80.020, which shall be entered into under chapter
14 39.80 RCW; and

15 (~~(8)~~) (7) Contracts for the employment of expert witnesses for
16 the purposes of litigation, except that such contracts shall be filed
17 within the same time period as emergency contracts.

18 NEW SECTION. **Sec. 4.** A new section is added to chapter 39.29 RCW
19 to read as follows:

20 Personal services may be procured only to resolve a particular
21 agency problem or issue or to expedite a specific project that is
22 temporary in nature. An agency may procure personal services only if
23 it documents that:

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

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

28 (3) Other qualified public resources are not available to perform
29 the service.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 39.29 RCW
2 to read as follows:

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

7 (a) Personal service contracts subject to competitive solicitation,
8 and modifications thereto, that provide services relating to management
9 consulting, organization development, marketing, communications,
10 employee training, or employee recruiting; and

11 (b) Modifications to personal service contracts subject to
12 competitive solicitation that substantially change the scope or cost of
13 work to be performed.

14 (2) The office of financial management shall approve personal
15 service contracts, and modifications thereto, required to be filed in
16 subsection (1) of this section before such contracts, and modifications
17 thereto, become binding and before any services may be performed under
18 such contracts.

19 NEW SECTION. **Sec. 6.** A new section is added to chapter 39.29 RCW
20 to read as follows:

21 The office of financial management shall maintain a publicly
22 available list of all personal service contracts entered into by state
23 agencies during each fiscal year. The list shall identify the
24 contracting agency, the contractor, the purpose of the contract,
25 effective dates and periods of performance, the cost of the contract
26 and funding source, any modifications to the contract, and whether the
27 contract, including modifications thereto, was competitively procured
28 or awarded on a sole source basis. The office of financial management
29 shall also ensure that state accounting definitions and procedures are

1 consistent with RCW 39.29.006 and permit the reporting of personal
2 services expenditures by agency and by type of service. Designations
3 of type of services shall include, but not be limited to, management
4 and organizational services, legal and expert witness services,
5 financial services, computer and information services, social or
6 technical research, marketing, communications, and employee training or
7 recruiting services.

8 NEW SECTION. **Sec. 7.** A new section is added to chapter 39.80 RCW
9 to read as follows:

10 Contracts entered into by any state agency for architectural and
11 engineering services, and modifications thereto, shall be filed with
12 the office of financial management at least ten working days before the
13 proposed starting date of the contract.

14 NEW SECTION. **Sec. 8.** A new section is added to chapter 39.29 RCW
15 to read as follows:

16 Personal service contracts between state agencies and state
17 legislators or between state agencies and companies in which a state
18 legislator is either employed or has a majority interest often raise
19 questions regarding a conflict of interest. The following rules apply
20 to such proposed personal service contracts:

21 (1) The contract must be personally approved in writing by the
22 agency director or commission chair; and

23 (2) The contract must be personally approved in writing by the
24 director of the office of financial management.

25 The contract must be filed with the house of representatives or
26 senate ethics committee within five business days of being signed.