
State Government Committee

HB 1967

Brief Description: Allowing the state purchasing and material control director to receive electronic and web-based bids.

Sponsors: Representatives Haigh, Miloscia and Hunt; by request of Department of General Administration.

Brief Summary of Bill

- Allows for an electronic or web-based bid process.

Hearing Date: 3/4/03

Staff: Anne Warwick (786-7291).

Background:

In the spring of 2000 the Department of General Administration (GA) Office of State Procurement (OSP) initiated a project for a new statewide purchasing system that utilized the internet to automate the purchasing process. The GA signed a contract to use Buysense, an electronic commerce service developed by American Management Systems (AMS), to provide functionality for The Ultimate Purchasing System (TUPS). The objective of TUPS was to reduce staff time and effort involved with the procurement and payment processes while providing accountability for the state's \$1 billion per year in commodity purchasing. TUPS was to automate the selection, request, approval, order, receipt, and payment functions that interface with the state's central Automated Financial Reporting System (AFRS). Additionally, the system would eliminate manual data entry into the state system and eliminate the need for vendors to report contract usage back to the state.

The renewal to extend the states contract with AMS for TUPS expired in June 2002, and the GA decided against the extension. The decision followed the completion of an independent review of the system. The major findings of the review included:

- government e-procurement was in its development stages and will continue to require significant oversight by the state and a close partnership with vendors;
- according to users, the system was cumbersome to use and did not meet state business needs;

- the system was unlikely to meet expected staff time savings objectives because of training issues and potential deficiencies in the system's architecture; and
- strained relationships among agencies as a result of the project will require time to mend.

Summary of Bill:

State statute is amended to allow for electronic or web-based bid procedures for all purchases, contracts, and sales executed by the GA. Competitive bidding procedures will allow for the bid to be given in an electronic format or in writing and the bid prices will be disclosed during the electronic or web-based bidding process.

Appropriation: None.

Fiscal Note: Not Requested.

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