

Appropriations Committee

HB 1342

Brief Description: *Modifying provisions concerning the general administration services account.*

Sponsors: *Representatives H. Sommers, Sehlin, Kenney, Lisk and Alexander; by request of Department of General Administration.*

Brief Summary of Bill

- *Incorporates the Energy Efficiency Services Account into the General Administration Services Account;*
- *Removes the requirement that energy efficiency services be subject to appropriation; and*
- *Removes the requirement that purchasing and contract administration activities be subject to appropriation and allotment.*

Hearing Date: *2/8/01*

Staff: *Linda Brooks (786-7153).*

Background:

Purchasing and Contract Administration

The Department of General Administration (DGA) has an Office of State Procurement. This office operates three programs: (1) purchasing and contract administration; (2) central stores; and (3) state and federal surplus property. Activities of the office are supported by the General Services Administration Account, and do not require an appropriation, with the exception of purchasing and contract administration, which are appropriated.

The purchasing and contract administration program negotiates contracts for goods and services

with vendors. Once these contracts are negotiated, state agencies, institutions of higher education, political subdivisions, and qualified non-profit organizations are able to purchase goods and services under the contracts.

The DGA receives revenues from two sources to cover expenses associated with purchasing and contract administration. First, state agencies and institutions of higher education pay 1.5 percent of their total dollar usage of state contracts to the DGA. Second, participating political subdivisions and non-profit organizations pay annual subscription fees to the DGA. These fees are deposited in the General Administration Services Account.

Since purchasing and contract administration is an activity subject to appropriation, the DGA cannot spend more on the purchasing and contract administration program than is appropriated by the Legislature.

Energy Efficiency Services

Public agencies must conduct energy life cycle cost analyses (ELCCA) of their facilities. Any public agency may contract with the DGA for ELCCA services, but school districts are required to contract with the DGA for ELCCA services for any new construction project greater than 25,000 sq. ft. or any remodeling project greater than 50 percent of the replacement value of a facility. School districts and public agencies pay the DGA a flat \$2,000 fee for each ELCCA analysis conducted.

Fees paid by school districts and other public agencies for ELCCA services are deposited into the Energy Efficiency Services Account. The Energy Efficiency Services Account is an appropriated account, so the DGA's expenditures on ELCCA services cannot exceed the appropriated level in any fiscal period.

Summary of Bill:

Purchasing and Contract Administration

The requirement that purchasing and contract administration activities be subject to appropriation and allotment is removed. The director of the DGA may authorize expenditures for these activities from the General Administration Services Account.

Energy Efficiency Services

The Energy Efficiency Services Account is eliminated. Fees paid by school districts and other public agencies for ELCCA services will be deposited into the General Administration Services Account. The DGA will draw upon the ELCCA fee revenues deposited into the General Administration Services Account to pay for its costs in providing the energy life cycle cost analysis services. The DGA's expenditures in providing the ELCCA services will no longer be subject to appropriation.

Appropriation: *None.*

Fiscal Note: *Not Requested.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*

