

HOUSE BILL REPORT

HB 2811

As Reported By House Committee On:
State Government

Title: An act relating to elimination of obsolete state procurement practices of the State Treasurer.

Brief Description: Eliminating obsolete practices in state procurement.

Sponsors: Representatives Caver, Anderson, Wolfe, Reams, Ballard, Pruitt, Jones, Dunshee, Quall, Karahalios and Springer; by request of Department of General Administration.

Brief History:

Reported by House Committee on:
State Government, February 2, 1994, DP.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass. Signed by 9 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; L. Thomas, Assistant Ranking Minority Member; Campbell; Conway; Dyer; King and Pruitt.

Staff: Bonnie Austin (786-7135).

Background: Under current law, the Office of State Procurement (OSP) within the Department of General Administration (GA) is required to conduct periodic visits to state agencies and institutions of higher education to determine compliance with statutes and supporting departmental policy. It is also required to take corrective action.

In 1933 and 1937, the Legislature passed a series of laws requiring that the state, local governments and school districts purchase fuel "wholly mined or produced within the state" unless the costs of using such fuel is over 5 percent greater than the costs of using out-of-state fuel. In 1938, and again in 1989, the state Supreme Court held that these statutes are unconstitutional.

In 1967, the Legislature passed a law requiring that bidders on public contracts furnish certified statements setting forth the nature and source of offshore items in excess of

\$2,500 that have been used in the performance of the contract. GA is required to keep these statements for five years.

The director of GA is required to establish a "Forms Management Center" to coordinate, design, implement and maintain a statewide forms management program. According to GA, this program has not been funded for over 10 years.

Summary of Bill: The requirement that the Office of State Procurement conduct periodic compliance visits to state agencies and higher education institutions is repealed. OSP is required to advise these agencies regarding compliance.

The statutes requiring that the state, local governments and school districts purchase fuel produced within the state are repealed.

The statute that requires bidders on public contracts to furnish certified statements setting forth the nature and source of offshore items in excess of \$2,500 used in the performance of the contract is repealed.

The Forms Management Center is repealed.

Fiscal Note: Requested January 25, 1994.

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

Testimony For: The focus of OSP should be on purchasing, not auditing. The State Auditor audits OSP for other agencies' compliance with purchasing requirements. The OSP audit function has never been funded.

Not only has the in-state fuel purchasing statute been held unconstitutional twice, it is also an unworkable regulation because coal is no longer used. Most of our oil, natural gas and electrical fuel sources are out-of-state.

The offshore items reporting requirements have not been implemented since 1967. If implemented, it would affect approximately 2,400 publicly solicited bids each year. Also, the philosophy conflicts with current free trade goals.

The forms management program has not been funded for over a decade. This is an obsolete regulation.

Testimony Against: None.

Witnesses: John Franklin, Director of Department of General Administration (pro); and John Pettit, University of Washington (pro).