

SENATE BILL REPORT

SHB 1325

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS, MARCH 30, 1993

Brief Description: Giving local governments the option to acquire services or goods under arrangements by state agencies.

SPONSORS: House Committee on Local Government (originally sponsored by Representatives Bray, Edmondson, Orr, H. Myers, Long and Springer)

HOUSE COMMITTEE ON LOCAL GOVERNMENT

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, Owen, von Reichbauer, and Winsley.

Staff: Barbara Howard (786-7410)

Hearing Dates: March 24, 1993; March 30, 1993

BACKGROUND:

The Department of General Administration (GA) is responsible for purchasing all supplies, equipment and services for all state agencies and institutions of higher education. Under the state purchasing program, local governments may enter into agreements with GA for some goods and services.

It has been suggested that local governments would benefit if they were also able to participate in the contract by the Department of General Administration for airline passenger services.

SUMMARY:

The state must meet with local governments before soliciting bids for air service. Local governments must be included within the invitation for bids, but if no airline is willing to include local governments in an air service contract, the state may solicit new bids without local government participation. The Department of General Administration must report to the Senate Government Operations Committee and the House Local Government Committee the reasons why local governments are not included in the air service contract, if the airlines are unwilling to include local governments in the contract.

SUMMARY OF PROPOSED SENATE AMENDMENT:

The striking amendment provides that the department, in consultation with local government associations, must develop a proposal to offer contracts for air service fares to local government employees. Elements to be considered include: (1) guidelines for predicting and reporting volume and destinations for local air travel; (2) a cost effective accounting system for aggregating bookings and payments; (3) a means for preparing invitations to bid that will allow local governments to take advantage of bulk rates without undue delays; (4) establishment of a clearinghouse of favorable rates and schedules that can be made available to local governments; and (5) any other services that can assist local governments in planning air travel on public business.

Progress on the proposal shall be reported to the Senate Committee on Government Operations and the House Committee on Local Government by December 15, 1993.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

We have had difficulty in securing cooperation from General Administration to be included in the contracts for providing air service. In many other areas, the local governments do participate in the savings on bulk purchases. Under the circumstances, local officials who wish to appear before legislative committees, for example, must pay full fares when state employees benefit from much lower bulk rates. With local funding as limited as it currently is, we must seek any economies we can realize. Air carriers have told us that the competition for travel comes from those who drive the I-5 corridor, not from other airlines. We would agree to meet the same conditions the state employees have to meet, including use of appropriate credit cards.

TESTIMONY AGAINST:

Local governments already participate in 40 percent of our purchasing contracts. We have included them in the commuter air service out of Olympia, and hope that will set a precedent. Our concern is that this could jeopardize our current air service contracts, because fewer or no airlines would bid. They have told us that local travel is too unpredictable, the local units are not generically identifiable, and there is no central source for payment. Because of the economic situation with the airline industry, the number of bidders has consistently dropped.

TESTIFIED: Alan Momohara, Deputy Director for GA (concerned); Jim Justin, AWC; Bill Vogler, WSAC; Dave Arbaugh, PUD Assn.; and Scott Taylor, Public Ports Assn. (all pro)

