
HOUSE BILL 1383

State of Washington 53rd Legislature 1993 Regular Session

By Representatives Valle, Reams, Sheldon, Morton, Heavey, Van Luven, Jones, Vance, Roland, Brough, Long and L. Johnson

Read first time 01/27/93. Referred to Committee on State Government.

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

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

17 (1) Sole source contracts, and modifications thereto, shall be
18 filed with the office of financial management and the legislative

1 budget committee and made available for public inspection at least ten
2 working days prior to the proposed starting date of the contract or
3 modification. Documented justification for sole source contracts shall
4 be provided to the office of financial management and the legislative
5 budget committee when the contract is filed. For sole source contracts
6 of ten thousand dollars or more, documented justification shall include
7 evidence that the agency attempted to identify potential consultants by
8 advertising through state-wide or regional newspapers or other
9 appropriate media or by notifying consultants on established bidders'
10 lists approved by the office of financial management.

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

21 NEW SECTION. Sec. 3. A new section is added to chapter 39.29 RCW
22 to read as follows:

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

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

29 (2) Sufficient staffing or expertise is not available within the
30 agency to perform the service; and

31 (3) Other qualified public resources are not available to perform
32 the service.

33 NEW SECTION. Sec. 4. A new section is added to chapter 39.29 RCW
34 to read as follows:

35 (1) Personal service contracts subject to competitive solicitation,
36 and modifications thereto, shall be filed with the office of financial
37 management and the legislative budget committee and made available for

1 public inspection at least ten working days before the proposed
2 starting date of the contract or modification.

3 (2) The office of financial management shall review and approve:

4 (a) Personal service contracts subject to competitive solicitation,
5 and modifications thereto, that provide services relating to management
6 consulting, organizational development, marketing, communications,
7 employee training, or employee recruiting; and

8 (b) Modifications to personal service contracts subject to
9 competitive solicitation that substantially change the scope or cost of
10 the work to be performed.

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

13 The office of financial management shall maintain a publicly
14 available list of all personal service contracts entered into by state
15 agencies during each fiscal year. The list shall identify the
16 contracting agency, the contractor, the purpose of the contract,
17 effective dates and periods of performance, the cost of the contract
18 and funding source, any modifications to the contract, and whether the
19 contract, including modifications thereto, was competitively procured
20 or awarded on a sole source basis. The office of financial management
21 shall also ensure that state accounting definitions and procedures are
22 consistent with RCW 39.29.006 and permit the reporting of personal
23 services expenditures by agency and by type of service. Designations
24 of type of services shall include, but not be limited to, management
25 and organizational services, legal and expert witness services,
26 financial services, computer and information services, social or
27 technical research, marketing, communications, and employee training or
28 recruiting services. The office of financial management shall report
29 annually to the fiscal committees of the senate and house of
30 representatives on sole source contracts filed under this chapter. The
31 report shall describe: (1) The number and aggregate value of contracts
32 for each category established in this section; (2) the number and
33 aggregate value of contracts of two thousand five hundred dollars or
34 greater but less than ten thousand dollars; (3) the number and
35 aggregate value of contracts of ten thousand dollars or greater; (4)
36 the justification provided by agencies for the use of sole source
37 contracts; and (5) any trends in the use of sole source contracts.

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 39.80 RCW
2 to read as follows:

3 Contracts entered into by any state agency for architectural and
4 engineering services, and modifications thereto, shall be filed with
5 the office of financial management at least ten working days before the
6 proposed starting date of the contract or modification.

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