

HOUSE BILL REPORT

SSB 5474

As Passed House - Amended:

April 10, 2001

Title: An act relating to consolidating funds within the general administration services account.

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

Sponsors: By Senate Committee on Ways & Means (originally sponsored by Senators B. Sheldon, Winsley, Spanel, Long and Fraser; by request of Department of General Administration).

Brief History:

Committee Activity:

Appropriations: 3/27/01, 3/28/01 [DPA].

Floor Activity:

Passed House - Amended: 4/10/01, 95-0.

Brief Summary of Substitute Bill (As Amended by House)

- Incorporates the Energy Efficiency Services Account into the General Administration Services Account;
- Removes the requirement that energy efficiency services be subject to appropriation;
- Removes the requirement that purchasing and contract administration activities be subject to appropriation; and
- Requires all funds in the General Administration Services Account to be allotted.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 30 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice

Chair; Doumit, Democratic Vice Chair; Alexander, Benson, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Grant, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

Staff: Linda Brooks (786-7153).

Background:

Purchasing and Contract Administration

Within the Department of General Administration (GA) is the 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 activities, 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.

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

Since purchasing and contract administration is an activity subject to appropriation, GA 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 GA for ELCCA services, but school districts are required to contract with GA 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 GA 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 GA's expenditures on ELCCA services cannot exceed the

appropriated level in any fiscal period.

Allotment

An allotment is a distribution of a biennial appropriation or budgeted amount to specific months and fiscal years. The Office of Financial Management reviews and approves an agency's allotment of funds.

Summary of Amended Bill:

Purchasing and Contract Administration

The requirement that purchasing and contract administration activities be subject to appropriation is removed. The director of GA 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.

Allotment

All funds in the General Administrative Services Account are subject to allotment.

Appropriation: None.

Fiscal Note: Requested on 2/19/01 on original bill.

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

Testimony For: (with concerns to the amendment) General Administration is glad that the House and the Senate agree that the General Services Administration Account should be allotted. It appears that the only difference is the cost of goods sold and postage stamps. Historically, GA has not allotted the cost of goods sold and postage stamps, because both of those items are sold based on customer demand. Given large variances in demand, they are difficult items to allot; however, GA can work with the House version.

Testimony Against: None.

Testified: Ron McQueen, Department of General Administration.