

SENATE BILL REPORT

SHB 1342

As Reported By Senate Committee On:
Ways & Means, March 22, 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 House Committee on Appropriations (originally sponsored by Representatives H. Sommers, Sehlin, Kenney, Lisk and Alexander; by request of Department of General Administration).

Brief History:

Committee Activity: Ways & Means: 3/22/01 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: Michael Groesch (786-7434)

Background: Purchasing and Contract Administration. The Department of General Administration (GA) 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 nonprofit organizations are able to purchase goods and services under the contracts.

GA 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 GA. Second, participating political subdivisions and nonprofit 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 the 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 are deposited into the General Administration Services Account. GA draws upon the ELCCA fee revenues deposited into the General Administration Services Account to pay for its costs in providing the ELCCA analysis services. GA's expenditures in providing the ELCCA services are no longer subject to appropriation.

Allotment. All expenditures from the General Administrative Services Account are subject to allotment. The cost of goods sold and the cost of stamps are exempt from the allotment process.

Amended Bill Compared to Substitute Bill: The cost of goods sold and the cost of stamps are exempt from the allotment process.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (From SB 5474) This is primarily a house-keeping bill that will assist in streamlining record keeping and accounting.

Testimony Against: None.

Testified: (From SB 5474) Ron McQueen, Asst. Dir., Dept. of General Administration (pro).