

# SENATE BILL REPORT

## SB 5717

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As Reported by Senate Committee On:  
Governmental Operations, February 18, 2013

**Title:** An act relating to competitive contracting.

**Brief Description:** Addressing competitive contracting.

**Sponsors:** Senators Baumgartner, Tom, Smith, Bailey, Braun, Schoesler, Holmquist Newbry and Brown.

**Brief History:**

**Committee Activity:** Governmental Operations: 2/18/13 [w/oRec-WM].

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Staff:** Karen Epps (786-7424)

**Background:** The Department of Enterprise Services (DES) provides a variety of support services to state agencies, other governmental entities, and nonprofits. DES combines services from the former departments of General Administration and Printing, and sections of the former departments of Personnel and Information Services (DIS). Several divisions from the Office of Financial Management (OFM) are also part of the new agency. As part of the agency reorganization, a majority of service provision duties were transferred from DIS to Consolidated Technology Services (CTS), including server hosting and network administration, telephony, security administration, and email.

The Technology Services Board (TSB) consists of six members appointed by the Governor and four legislators. TSB focuses on information technology strategic vision and planning; enterprise architecture; policy and standards; and major project oversight. TSB may approve contracting for services and activities related to the operation and management of the State Data Center. If approval is granted by TSB, CTS is exempt from the requirements for competitive contracting. Additionally, TSB may approve contracting for other services and activities by CTS if those services are recommended by the Chief Information Officer through a business plan and TSB approves. If approval is granted by TSB, those services and activities are exempt from the requirements for competitive contracting.

ESSB 5931, from the 2011 session, directed OFM to examine on a biennial basis which services within DES might be performed by the private sector. OFM must select up to six

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activities each biennium for DES to competitively bid to the private sector. OFM may consult with affected industry stakeholders in making its decision on which activities to contract out. If service cannot be provided at a lower rate and more efficiently, OFM will notify DES, and DES may cancel the bid. If the bid is cancelled, OFM must notify the legislative fiscal committees. DES, with OFM, must establish a contract monitoring process to measure contract performance, costs, service, delivery, quality, and other contract standards, and cancel contracts that do not meet those standards. No contract may be renewed without a review of these measures. OFM must report on the results of these examinations biennially to the Legislature. The Joint Legislative and Audit Review Committee will conduct a performance audit of the implementation of contracting for services at DES and report to the Legislature by January 1, 2018.

**Summary of Bill:** If approval for services and activities related to the operation and management of the State Data Center is granted by TSB, DES is exempt from the requirements for competitive contracting. TSB may approve contracting for other services and activities by DES if those services are recommended by the Chief Information Officer through a business plan and TSB approves. If approval is granted by TSB, those services and activities are exempt from the requirements for competitive contracting.

In the 2013-15 biennium, OFM must examine motor pool vehicle fleet management, custodial services, and real estate lease brokering as three of the six activities for DES to competitively bid to the private sector. If service cannot be provided at a lower rate or more efficiently, OFM will notify DES, and DES may cancel the bid.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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