
State Government Committee

HB 1447

Brief Description: Granting the director of the department of enterprise services the authority to fine contractors as a penalty for certain behaviors.

Sponsors: Representatives Holy, S. Hunt and Appleton; by request of Department of Enterprise Services.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes the Director of the Department of Enterprise Services to fine a contractor in replacement of, or addition to, debarment.

Hearing Date: 2/4/15

Staff: Marsha Reilly (786-7135).

Background:

The Director of the Department of Enterprise Services (DES) has the authority to debar a contractor based on a finding of one or more of the following causes:

- conviction of a criminal offense as an incident to obtaining a public or private contract or subcontract, or in the performance of such contract;
- conviction under state or federal law for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty;
- conviction under state or federal antitrust laws arising out of the submission of bids or proposals;
- violation of contract provisions of a character regarded by the Director to justify debarment action, including deliberate failure without good cause to perform the contract, or a recent record of failure to perform, or unsatisfactory performance with the terms of one or more contracts;
- violation of ethical standards; or

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- any other serious or compelling cause to affect responsibility as a state contractor, including debarment by another governmental entity.

A decision to debar must be issued by the Director in writing, must state the reasons for the action taken, and must inform the debarred contractor of his or her rights to judicial or administrative review.

Summary of Bill:

Under the same procedures used to debar a contractor, the Director of DES is authorized to impose a fine on a contractor for cause in replacement of, or in addition to, debarment. The fine may not exceed the cost of the debarment proceedings and the administrative and processing costs incurred by the agency. The DES must establish the fining process by rule.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.