

SHB 1851 - H AMD 314

By Representatives Kraft, Dolan

ADOPTED 03/08/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** It is the intent of the legislature to
4 increase transparency and accountability of the work performed by
5 private entities and nonprofit organizations pursuant to contracts
6 and the work performed by public employees pursuant to project plans
7 by requiring better evaluation of their performance. Such evaluation
8 should include an assessment of whether decisions to "contract out"
9 government goods and services to the private sector are achieving
10 their stated objectives. In addition, it is the intent of the
11 legislature to ensure that public contractors and agencies given
12 access to state resources are held to ethical standards consistent
13 with public values.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 39.26
15 RCW to read as follows:

16 (1) Prior to issuing a request for a proposal under this chapter
17 to contract out to purchase from a private sector entity or nonprofit
18 organization goods and services that have been customarily and
19 historically provided by a public employee or employees, an agency
20 must meet the criteria specified in RCW 41.06.142 and also conduct a
21 comprehensive impact assessment if the estimated cost of contract
22 performance is greater than twenty thousand dollars. This section
23 applies only to contracts entered under this chapter and does not
24 apply to contracts awarded under alternate procurement statutes or to
25 contracts awarded for the purposes of or by the department of
26 transportation.

27 (a) To assist the agency in determining whether the decision to
28 contract out is beneficial, the comprehensive impact assessment must
29 include at a minimum the following comparative analysis of the
30 estimated costs of providing the goods and services through public

1 employees and the costs of providing the goods and services through a
2 contract:

3 (i) For goods and services provided by public employees:

4 (A) An estimate of the cost of the goods and services, including
5 the fully allocated costs of the good or service, the cost of the
6 employees' salaries and benefits, space, equipment, materials, and
7 other costs necessary to perform the function. The estimate shall
8 include the state's indirect overhead costs that can be specifically
9 attributed to delivering the goods and services over the period of
10 the proposed contract; and

11 (B) A statement of the performance objectives to be achieved; and

12 (ii) For goods and services contracted out:

13 (A) An estimate of the cost of the goods and services, including
14 the cost of allocating sufficient public employee staff time and
15 resources to monitor the contract and ensure its proper performance
16 by the contractor; and

17 (B) A statement of the performance objectives to be achieved by
18 contracting with a private sector or nonprofit entity.

19 (b) The comprehensive assessment may also include an assessment
20 of the potential impacts on the public from outsourcing the contract,
21 such as gain or loss of employment, effect on social services and
22 public assistance programs, economic impacts on local businesses and
23 local tax revenues, and environmental impacts.

24 (2) Upon completion of the comprehensive impact assessment
25 required under subsection (1) of this section a written record must
26 be prepared:

27 (a) If an agency decides to contract out a good or service that
28 has been customarily and historically provided by public employees,
29 the agency must prepare a written record of the basis of the decision
30 and provide it to the department. The written record must include the
31 comprehensive impact assessment and an itemization of performance
32 standards in the contract for the goods or services.

33 (b) If an agency decides to provide the good or service through
34 public employees, the agency must prepare a written record of the
35 basis of the decision and provide it to the department. The written
36 record must include the comprehensive impact assessment and a
37 quantifiable analysis demonstrating the agency's ability to meet or
38 exceed performance standards in the agency project plan for providing
39 the goods or services.

1 (c) The agency must maintain the written record in the agency's
2 files for five years or the term of the contract, whichever is
3 longer.

4 (3) Every five years or upon completion of the contract or
5 provision of the goods or services by the agency's public employees,
6 whichever comes first, the agency must prepare and file with the
7 department a report, which must include at a minimum the following
8 information:

9 (a) Documentation of the contractor's or agency's performance as
10 measured by the itemized performance standards;

11 (b) Itemization of any contract extensions or change orders made
12 by the contractor or comparable project plan revisions by the agency
13 that resulted in a change in the dollar value or cost of the goods or
14 services; and

15 (c) A report of any remedial actions that were taken to enforce
16 compliance with the contract or project plan, together with an
17 estimate of the cost incurred by the public in enforcing such
18 compliance.

19 (4) In addition to any other terms required by law:

20 (a) For goods and services contracted out, the terms of the
21 contract must include the following:

22 (i) A cancellation clause allowing the agency to cancel the
23 contract if the contractor fails to meet quality standards or budget
24 specifications;

25 (ii) Terms ensuring periodic review of performance of the
26 contract on a semiannual basis or more frequently;

27 (iii) Terms requiring the contractor to reimburse the agency for
28 certain additional costs including, but not limited to, the costs of
29 the agency's employee time to mitigate or otherwise perform a
30 contract that failed inspection, that the contractor failed to
31 complete on schedule, or that the contractor failed to complete to
32 specified quality standards;

33 (iv) A term requiring the contractor to make available to the
34 agency the following information at the start of the contract's term
35 and updated each fiscal year:

36 (A) The name and license number, if applicable, of the contractor
37 and all subcontractors; and

38 (B) A list of individuals or entities performing or providing the
39 goods or services, reflected as full-time equivalent positions,
40 including the hourly wage rate for each position, and the status of

1 the individual as an employee, subcontractor, independent contractor,
2 or consultant of the contractor; and

3 (v) A waiver of confidentiality of, and agreement to provide to
4 the agency upon request, basic financial information related to the
5 contract, other than financial, commercial, or proprietary
6 information specifically exempted from disclosure to the public under
7 RCW 42.56.270; or

8 (b) For goods and services provided by public employees, the
9 terms of an agency project plan must include the following:

10 (i) A clause allowing the agency to cancel the good or service if
11 the agency fails to meet quality standards or budget specifications;

12 (ii) Terms ensuring periodic review of performance of the project
13 plan on a semiannual basis or more frequently;

14 (iii) Terms requiring the agency to absorb certain additional
15 costs including, but not limited to, the costs of the agency's
16 employee time to mitigate or otherwise perform a project plan that
17 failed inspection, that the agency failed to complete on schedule, or
18 that the agency failed to complete to specified quality standards. In
19 circumstances in which agencies are required to absorb certain
20 additional costs or employee business units and other agencies are
21 required to compensate an agency for certain additional costs, funds
22 appropriated, allotted, or otherwise intended for other purposes may
23 not be used to supplement or supplant funds for the purpose of
24 acquiring the good or service; and

25 (iv) A term requiring the agency to make available to the
26 department the following information at the start of the project plan
27 and updated each fiscal year:

28 (A) The name and license number, if applicable, of any
29 contractors and subcontractors; and

30 (B) A list of individuals or entities performing or providing the
31 goods or services, reflected as full-time equivalent positions,
32 including the hourly wage rate for each position, and the status of
33 the individual as an employee, subcontractor, independent contractor,
34 or consultant of the agency.

35 (5) The provisions applicable to contracts with a private sector
36 entity or nonprofit organization set forth in this section also apply
37 to contracts with employee business units under RCW 41.06.142 and
38 interlocal agreements with other agencies under chapter 39.34 RCW.

1 **Sec. 3.** RCW 39.26.180 and 2012 c 224 s 20 are each amended to
2 read as follows:

3 (1) The department must adopt uniform policies and procedures for
4 the effective and efficient management of contracts or agency project
5 plans by all state agencies. The policies and procedures must, at a
6 minimum, include:

7 (a) Precontract procedures for selecting potential contractors
8 based on their qualifications and ability to perform, including
9 procedures to ensure compliance with chapter 39.19 RCW, providing for
10 participation of minority and women-owned businesses;

11 (b) Model complaint and protest procedures;

12 (c) Alternative dispute resolution processes;

13 (d) Incorporation of performance measures and measurable
14 benchmarks in contracts or agency project plans;

15 (e) Model ~~((contract))~~ terms to ensure ~~((contract))~~ performance
16 and compliance with state and federal standards, including terms to
17 facilitate recovery of the costs of public employee staff time that
18 must be expended to achieve substantial compliance;

19 (f) Executing contracts using electronic signatures;

20 (g) Criteria for contract or project plan amendments;

21 (h) Postcontract or postproject procedures;

22 (i) Procedures and criteria for terminating contracts or project
23 plans for cause or otherwise, including procedures and criteria for
24 not achieving performance standards; and

25 (j) Any other subject related to effective and efficient contract
26 or project plan management.

27 (2) An agency may not enter into a contract or adopt a project
28 plan under which the contractor or agency could charge additional
29 costs to the agency, the department, the joint legislative audit and
30 review committee, or the state auditor for access to data generated
31 under the contract or project plan. A contractor or agency under such
32 a contract or project plan must provide access to data generated
33 under the contract or project plan to the contracting agency or
34 department, the joint legislative audit and review committee, and the
35 state auditor.

36 (3) To the extent practicable, agencies should enter into
37 performance-based contracts or adopt performance-based project plans.
38 Performance-based contracts and project plans identify expected
39 deliverables and performance measures or outcomes. Performance-based
40 contracts and project plans also use appropriate techniques, which

1 may include, but are not limited to, either consequences or
2 incentives or both to ensure that agreed upon value to the state is
3 received. Payment for goods and services under performance-based
4 contracts should be contingent on (~~the contractor~~) achieving
5 performance outcomes. Agencies or the department must monitor
6 performance-based contracts or project plans at least on a semiannual
7 basis to ensure that all aspects are being properly performed and
8 that performance standards are being achieved.

9 (4) An agency and contractor may execute a contract using
10 electronic signatures.

11 (5) As used in subsection (2) of this section, "data" includes
12 all information that supports the findings, conclusions, and
13 recommendations of the contractor's or agency's reports, including
14 computer models and the methodology for those models.

15 (6) The provisions applicable to contracts and contractors set
16 forth in this section also apply to contracts with employee business
17 units under RCW 41.06.142 and interlocal agreements with other
18 agencies under chapter 39.34 RCW.

19 **Sec. 4.** RCW 43.19.008 and 2011 1st sp.s. c 43 s 104 are each
20 amended to read as follows:

21 (1) The executive powers and management of the department, and
22 oversight through review or audit by the office of financial
23 management, the joint legislative audit and review committee, or
24 state auditor, shall be administered as described in this section.

25 (2) The executive head and appointing authority of the department
26 is the director. The director is appointed by the governor, subject
27 to confirmation by the senate. The director serves at the pleasure of
28 the governor. The director is paid a salary fixed by the governor in
29 accordance with RCW 43.03.040. If a vacancy occurs in the position of
30 director while the senate is not in session, the governor shall make
31 a temporary appointment until the next meeting of the senate at which
32 time he or she shall present to that body his or her nomination for
33 the position.

34 (3) The director may employ staff members, who are exempt from
35 chapter 41.06 RCW, and any additional staff members as are necessary
36 to administer this chapter, and such other duties as may be
37 authorized by law. The director may delegate any power or duty vested
38 in (~~him or her~~) the position by chapter 43, Laws of 2011 1st sp.

1 sess. or other law, including authority to make final decisions and
2 enter final orders in hearings conducted under chapter 34.05 RCW.

3 (4) The internal affairs of the department are under the control
4 of the director in order that the director may manage the department
5 in a flexible and intelligent manner as dictated by changing
6 contemporary circumstances. Unless specifically limited by law, the
7 director has complete charge and supervisory powers over the
8 department. The director may create the administrative structures as
9 the director deems appropriate, except as otherwise specified by law,
10 and the director may employ personnel as may be necessary in
11 accordance with chapter 41.06 RCW, except as otherwise provided by
12 law.

13 (5) Until June 30, ~~((2018))~~ 2019, at the beginning of each fiscal
14 biennium, unless the joint legislative audit and review committee or
15 the state auditor is otherwise directed to do so in the omnibus
16 operating budget, the office of financial management shall conduct a
17 review of the programs, goods, and services that are performed by the
18 department to determine whether the program, goods, or services may
19 be performed by the private sector, an employee business unit under
20 RCW 41.06.142, or another agency pursuant to an interlocal agreement
21 under chapter 39.34 RCW in a more cost-efficient and effective manner
22 than being performed by the department. In conducting this review,
23 the office of financial management shall:

24 (a) Examine the existing activities currently being performed by
25 the department, including but not limited to an examination of goods
26 or services for their performance, cost compared to revenue impact,
27 staffing, capital requirements, and mission. Programs may be broken
28 down into discrete goods, services, or activities or reviewed as a
29 whole; and

30 (b) Examine the activities to determine which specific goods or
31 services are available in the marketplace and what potential for
32 efficiency gains or savings exist.

33 (i) As part of the review in this subsection (5), the office of
34 financial management shall select up to six activities, goods, or
35 services that have been determined as an activity that may be
36 provided by the private sector in a cost-effective and efficient
37 manner(~~(, including for the 2011-2013 fiscal biennium the bulk~~
38 ~~printing services)). The office of financial management may consult~~
39 with affected industry stakeholders in making its decision on which
40 activities to contract for goods or services. Priority for selection

1 shall be given to agency activities, goods, or services that are
2 significant, ongoing functions or projects with an initial project
3 plan of two hundred fifty thousand dollars or more.

4 (ii) The office of financial management must consider the
5 consequences and potential mitigation of improper or failed
6 performance by the contractor or agency, if the activity was
7 performed by public employees.

8 (iii) For each of the selected activities, the department or
9 agency shall use a request for information, request for proposal, or
10 other procurement process to determine if a contract for the activity
11 would result in the activity being provided at a reduced cost and
12 with greater efficiency. This must include, but is not limited to,
13 consideration of the cost of the agency staff time and resources that
14 may be required to monitor and ensure proper performance of the
15 contract by the contractor or project plan by the agency.

16 (iv) The request for information, request for proposal, or other
17 procurement process must contain measurable standards for the
18 performance of the contract.

19 (v) If contracting out will afford taxpayers a cost savings or
20 efficiency, the department may contract with one or more vendors to
21 provide the good or service as a result of the procurement process.

22 (vi) If the office of financial management determines via the
23 procurement process that the activity cannot be provided by the
24 private sector at a reduced cost and greater efficiency, the
25 department of enterprise services may cancel the procurement without
26 entering into a contract and shall promptly notify the legislative
27 fiscal committees of such a decision along with the cost analysis and
28 basis for the decision.

29 (vii) The department of enterprise services, in consultation with
30 the office of financial management, must establish a contract or
31 project plan monitoring process to measure contract or project plan
32 performance, costs, service delivery quality, and other contract or
33 project plan standards, and to cancel contracts or projects that do
34 not meet those standards. No contracts or project extensions,
35 expansions, future upgrades, or phases may be renewed without a
36 review of these measures.

37 (viii) The office of financial management shall prepare a
38 biennial report summarizing the results of the examination of the
39 agency's programs, goods, and services. In addition to the programs,
40 goods, and services examined and the result of the examination, the

1 report shall provide information on any procurement process that does
2 not result in a contract for the goods or services. The biennial
3 report must include updates reporting any unanticipated costs
4 incurred as a result of contracting out or from the agency providing
5 the goods or services pursuant to this section and an estimate of
6 staff hours devoted by employees of the office of financial
7 management and department of enterprise services in conducting the
8 program review required by this section. During each regular
9 legislative session held in odd-numbered years, the legislative
10 fiscal committees shall hold a public hearing on the report and the
11 department's activities under this section. This report must be made
12 available on the web site of the agency that was the subject of the
13 report.

14 (ix) The joint legislative audit and review committee shall
15 conduct an audit of the implementation of this subsection (5), and
16 report to the legislature by January 1, 2018, on the results of the
17 audit. The report must include an analysis and estimate of additional
18 costs or savings to taxpayers as a result of the contracting out or
19 project plan provisions. This analysis must, at a minimum, include
20 the following:

21 (A) An estimate of the cost of performance of the selected
22 activities, if the activities had been performed by public employees;

23 (B) An estimate of the cost of performance of the contract or
24 project plan by the contractor, including the cost of any change
25 orders, project plan, or contract revisions and the costs of
26 allocating sufficient public employee staff time and resources to
27 monitor the contract and ensure its proper performance by the
28 contractor;

29 (C) An analysis of the extent to which performance objectives
30 were achieved by outsourcing the contract or by having the agency
31 perform the activity; and

32 (D) An assessment of potential impacts on the public of
33 outsourcing the contract or by having the agency perform the
34 activities.

35 **Sec. 5.** RCW 39.26.200 and 2015 c 44 s 1 are each amended to read
36 as follows:

37 (1)(a) The director shall provide notice to the contractor of the
38 director's intent to either fine or debar with the specific reason

1 for either the fine or debarment. The department must establish the
2 debarment and fining processes by rule.

3 (b) After reasonable notice to the contractor and reasonable
4 opportunity for that contractor to be heard, the director has the
5 authority to debar a contractor for cause from consideration for
6 award of contracts. The debarment must be for a period of not more
7 than three years.

8 (2) The director may either fine or debar a contractor based on a
9 finding of one or more of the following causes:

10 (a) Conviction for commission of a criminal offense as an
11 incident to obtaining or attempting to obtain a public or private
12 contract or subcontract, or in the performance of such contract or
13 subcontract;

14 (b) Conviction or a final determination in a civil action under
15 state or federal statutes of fraud, embezzlement, theft, forgery,
16 bribery, falsification or destruction of records, receiving stolen
17 property, violation of the federal false claims act, 31 U.S.C. Sec.
18 3729 et seq., or the state medicaid fraud false claims act, chapter
19 74.66 RCW, or any other offense indicating a lack of business
20 integrity or business honesty that currently, seriously, and directly
21 affects responsibility as a state contractor;

22 (c) Conviction under state or federal antitrust statutes arising
23 out of the submission of bids or proposals;

24 (d) Two or more violations within the previous five years of the
25 (~~federal~~) national labor relations act as determined by the
26 national labor relations board or court of competent jurisdiction;

27 (e) Violation of contract provisions, as set forth in this
28 subsection, of a character that is regarded by the director to be so
29 serious as to justify debarment action:

30 (i) Deliberate failure without good cause to perform in
31 accordance with the specifications or within the time limit provided
32 in the contract; or

33 (ii) A recent record of failure to perform or of unsatisfactory
34 performance in accordance with the terms of one or more contracts,
35 however the failure to perform or unsatisfactory performance caused
36 by acts beyond the control of the contractor may not be considered to
37 be a basis for debarment;

38 (f) Violation of ethical standards set forth in RCW 39.26.020;
39 and

1 (g) Any other cause the director determines to be so serious and
2 compelling as to affect responsibility as a state contractor,
3 including debarment by another governmental entity for any cause
4 listed in regulations.

5 (3) The director must issue a written decision to debar. The
6 decision must:

7 (a) State the reasons for the action taken; and

8 (b) Inform the debarred contractor of the contractor's rights to
9 judicial or administrative review.

10 **Sec. 6.** RCW 41.06.142 and 2011 1st sp.s. c 43 s 408 are each
11 amended to read as follows:

12 (1) Any department, agency, or institution of higher education
13 may purchase services, including services that have been customarily
14 and historically provided by employees in the classified service
15 under this chapter, by contracting with individuals, nonprofit
16 organizations, businesses, employee business units, or other entities
17 if the following criteria are met:

18 (a) The invitation for bid or request for proposal contains
19 measurable standards for the performance of the contract;

20 (b) Employees in the classified service whose positions or work
21 would be displaced by the contract are provided an opportunity to
22 offer alternatives to purchasing services by contract and, if these
23 alternatives are not accepted, compete for the contract under
24 competitive contracting procedures in subsection (4) of this section;

25 (c) The contract with an entity other than an employee business
26 unit includes a provision requiring the entity to consider employment
27 of state employees who may be displaced by the contract;

28 (d) The department, agency, or institution of higher education
29 has established a contract monitoring process to measure contract
30 performance, costs, service delivery quality, and other contract
31 standards, and to cancel contracts that do not meet those standards;
32 and

33 (e) The department, agency, or institution of higher education
34 has determined that the contract results in savings or efficiency
35 improvements. The contracting agency must consider the consequences
36 and potential mitigation of improper or failed performance by the
37 contractor.

1 (2) Any provision contrary to or in conflict with this section in
2 any collective bargaining agreement in effect on July 1, 2005, is not
3 effective beyond the expiration date of the agreement.

4 (3) Contracting for services that is expressly mandated by the
5 legislature or was authorized by law prior to July 1, 2005, including
6 contracts and agreements between public entities, shall not be
7 subject to the processes set forth in subsections (1), (4), and (5)
8 of this section.

9 (4) Competitive contracting shall be implemented as follows:

10 (a) At least ninety days prior to the date the contracting agency
11 requests bids from private entities for a contract for services
12 provided by classified employees, the contracting agency shall notify
13 the classified employees whose positions or work would be displaced
14 by the contract. The employees shall have sixty days from the date of
15 notification to offer alternatives to purchasing services by
16 contract, and the agency shall consider the alternatives before
17 requesting bids.

18 (b) If the employees decide to compete for the contract, they
19 shall notify the contracting agency of their decision. Employees must
20 form one or more employee business units for the purpose of
21 submitting a bid or bids to perform the services.

22 (c) The department of enterprise services, with the advice and
23 assistance of the office of financial management, shall develop and
24 make available to employee business units training in the bidding
25 process and general bid preparation.

26 (d) The director of enterprise services, with the advice and
27 assistance of the office of financial management, shall, by rule,
28 establish procedures to ensure that bids are submitted and evaluated
29 in a fair and objective manner and that there exists a competitive
30 market for the service. Such rules shall include, but not be limited
31 to: (i) Prohibitions against participation in the bid evaluation
32 process by employees who prepared the business unit's bid or who
33 perform any of the services to be contracted; (ii) provisions to
34 ensure no bidder receives an advantage over other bidders and that
35 bid requirements are applied equitably to all parties; and (iii)
36 procedures that require the contracting agency to receive complaints
37 regarding the bidding process and to consider them before awarding
38 the contract. Appeal of an agency's actions under this subsection is
39 an adjudicative proceeding and subject to the applicable provisions
40 of chapter 34.05 RCW, the administrative procedure act, with the

1 final decision to be rendered by an administrative law judge assigned
2 under chapter 34.12 RCW.

3 (e) An employee business unit's bid must include the fully
4 allocated costs of the service, including the cost of the employees'
5 salaries and benefits, space, equipment, materials, and other costs
6 necessary to perform the function. An employee business unit's cost
7 shall not include the state's indirect overhead costs unless those
8 costs can be attributed directly to the function in question and
9 would not exist if that function were not performed in state service.

10 (f) A department, agency, or institution of higher education may
11 contract with the department of enterprise services to conduct the
12 bidding process.

13 (5) As used in this section:

14 (a) "Employee business unit" means a group of employees who
15 perform services to be contracted under this section and who submit a
16 bid for the performance of those services under subsection (4) of
17 this section.

18 (b) "Indirect overhead costs" means the pro rata share of
19 existing agency administrative salaries and benefits, and rent,
20 equipment costs, utilities, and materials associated with those
21 administrative functions.

22 (c) "Competitive contracting" means the process by which
23 classified employees of a department, agency, or institution of
24 higher education compete with businesses, individuals, nonprofit
25 organizations, or other entities for contracts authorized by
26 subsection (1) of this section.

27 (6) The processes set forth in subsections (1), (4), and (5) of
28 this section do not apply to:

29 (a) RCW 74.13.031(~~(5)~~) (6); and

30 (b) The acquisition of printing services by a state agency(~~(5) and~~

31 ~~(c) Contracting for services or activities by the department of~~
32 ~~enterprise services under RCW 43.19.008 and the department may~~
33 ~~continue to contract for such services and activities after June 30,~~
34 ~~2018.~~

35 ~~(7) The processes set forth in subsections (1), (4), and (5) of~~
36 ~~this section do not apply to the consolidated technology services~~
37 ~~agency when contracting for services or activities as follows:~~

38 ~~(a) Contracting for services and activities that are necessary to~~
39 ~~establish, operate, or manage the state data center, including~~
40 ~~architecture, design, engineering, installation, and operation of the~~

1 ~~facility that are approved by the technology services board created~~
2 ~~in RCW 43.41A.070.~~

3 ~~(b) Contracting for services and activities recommended by the~~
4 ~~chief information officer through a business plan and approved by the~~
5 ~~technology services board created in RCW 43.41A.070)).~~

6 NEW SECTION. **Sec. 7.** This act may be known and cited as the
7 "taxpayer protection act."

8 Correct the title.

EFFECT: Adds language specifying that work performed by private entities and nonprofit organizations is pursuant to contracts, and that work performed by public employees is pursuant to project plans.

Clarifies that various provisions apply to both goods and services, and also to both private contracts and project plans (e.g., comprehensive impact assessments and statements of performance objectives).

Specifies that, before contracting out for goods and services customarily and historically provided by public employees, agencies must meet the criteria for competitive contracting in the Personnel Services Reform Act (PSRA).

Requires the Office of Financial Management, in reviews conducted until June 30, 2019, to determine whether work by the Department of Enterprise Services (DES) may be performed by an employee business unit or another agency in a more cost-efficient and effective manner.

Makes the competitive contracting provisions of the PSRA applicable to contracting for certain services and activities by DES and the Consolidated Technology Services Agency.

Exempts the Department of Transportation from comprehensive impact assessment and reporting requirements when contracting for goods and services.

Clarifies that contracts and project plans must include terms requiring that either the contractor reimburse the agency or the agency absorb certain additional costs required to achieve full performance. Prohibits agencies, when there are such additional costs, from using funds intended for other purposes to supplement or supplant funds for the good or service.

Makes provisions applicable to private contracts also applicable to contracts with employee business units and interlocal agreements with other agencies.

Makes a technical correction to a cross-referenced statute.

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