

FINAL BILL REPORT

HB 1471

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Synopsis as Enacted

Brief Description: Modifying state procurement procedures for competitive, sole source, convenience, and emergency goods and services contracts.

Sponsors: Representatives Stearns, Ramos, Gregerson and Ryu; by request of Department of Enterprise Services.

House Committee on State Government & Tribal Relations

Senate Committee on State Government & Elections

Background:

Sole Source, Convenience, and Emergency Contracts.

The Department of Enterprise Services (DES) is responsible for the development and oversight of policy for the procurement of goods and services by all state agencies and adopts uniform policies and procedures for the effective and efficient management of contracts by all state agencies. All contracts for purchases of goods and services must be based on a competitive solicitation process unless the DES grants exemptions from competitive solicitation, including for emergency contracts, sole source contracts, and direct buy purchases.

A "sole source" refers to a contractor that provides goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practical source to provide the goods and services. Agencies must submit sole source contracts to the DES and make the contracts available for public inspection at least 10 working days before the proposed start date of the contract.

A "convenience contract" is a contract for specific goods, services, or both, that is solicited and established in accordance with competitive procurement rules and that is for use by a specific agency or specified group of agencies. Agencies specified in the convenience contract may use such contract as needed from time to time, enabling qualified agencies to make multiple distinct purchases off the single contract at the convenience of the agency, as

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opposed to the solicitation leading to a single project. A convenience contract may be a multi-agency contract or multi-vendor contract used by a single agency. A convenience contract is not a master contract, which in contrast is solicited and established by the DES on behalf of and for the general use by any agency for the purchase of specified goods or services.

Any agency may make emergency purchases when a set of unforeseen circumstances beyond the control of the agency that either: (a) presents a real, immediate, and extreme threat to the proper performance of essential functions; or (b) may reasonably be expected to result in material loss or damage to property, bodily injury, or loss of life, if immediate action is not taken. Emergency contracts must be submitted to the DES and made available for inspection within three working days following the commencement of work or execution of the contract, whichever is first.

Debarment.

A business or individual that commits certain acts may be fined by the DES or barred from bidding on or entering a contract with the state for up to three years. This process, known as debarment, applies to both public works and contracts for goods and services. During the 2017-2019 fiscal biennium, the DES had specific authority to debar a contractor for the failure to comply with a provision in a state master contract or other agreement with a state agency that requires equality among its workers by ensuring similarly employed individuals are compensated as equals.

Summary:

Sole Source, Convenience, and Emergency Contracts.

The type of contractor that qualifies as a sole source contractor is narrowed to be a contractor that is the only practical source of certain goods or services in general, rather than a contractor that is the only practical source of those goods and services at a particular location. The amount of time before the proposed starting date of the contract that an agency must file the contract with the DES and make the contract available for public inspection is extended to no less than 15 business days before the proposed starting date of the contract.

The definition of a convenience contract is limited to only multi-agency contracts. The ability for groups of agencies approved to use a specified convenience contract as needed from time to time is removed and may only be used with the approval of the DES.

The time for an agency that makes an emergency purchase to submit its emergency contract to the DES is extended to 10 business days. The DES may authorize exceptions for filing requirements due to exigent circumstances.

Debarment.

The previously time-limited authority of the DES to fine or debar a contractor for failure to

comply with a provision in a state master contract or other agreement with a state agency that requires equality in compensation among its workers is reinstated.

Votes on Final Passage:

House	96	0	
House	97	1	
Senate	49	0	(Senate amended)
House	96	0	(House concurred)

Effective: June 6, 2024