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**SUBSTITUTE HOUSE BILL 2729**

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**State of Washington**

**56th Legislature**

**2000 Regular Session**

**By** House Committee on State Government (originally sponsored by Representatives Clements, Dickerson, Lisk, B. Chandler and Thomas)

Read first time 02/04/2000. Referred to Committee on .

1 AN ACT Relating to personal service contracts entered into by state  
2 agencies; amending RCW 39.29.006 and 39.29.040; and adding a new  
3 section to chapter 39.29 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 39.29.006 and 1998 c 101 s 2 are each amended to read  
6 as follows:

7 As used in this chapter:

8 (1) "Agency" means any state office or activity of the executive  
9 and judicial branches of state government, including state agencies,  
10 departments, offices, divisions, boards, commissions, and educational,  
11 correctional, and other types of institutions.

12 (2) "Client services" means services provided directly to agency  
13 clients including, but not limited to, medical and dental services,  
14 employment and training programs, residential care, and subsidized  
15 housing.

16 (3) "Competitive solicitation" means a documented formal process  
17 providing an equal and open opportunity to qualified parties and  
18 culminating in a selection based on criteria which may include such  
19 factors as the consultant's fees or costs, ability, capacity,

1 experience, reputation, responsiveness to time limitations,  
2 responsiveness to solicitation requirements, quality of previous  
3 performance, and compliance with statutes and rules relating to  
4 contracts or services.

5 (4) "Consultant" means an independent individual or firm  
6 contracting with an agency to perform a service or render an opinion or  
7 recommendation according to the consultant's methods and without being  
8 subject to the control of the agency except as to the result of the  
9 work. The agency monitors progress under the contract and authorizes  
10 payment.

11 (5) "Emergency" means a set of unforeseen circumstances beyond the  
12 control of the agency that either:

13 (a) Present a real, immediate threat to the proper performance of  
14 essential functions; or

15 (b) May result in material loss or damage to property, bodily  
16 injury, or loss of life if immediate action is not taken.

17 (6) "Evidence of competition" means documentation demonstrating  
18 that the agency has solicited responses from multiple firms in  
19 selecting a consultant.

20 (7) "Personal service" means professional or technical expertise  
21 provided by a consultant to accomplish a specific study, project, task,  
22 or other work statement. This term does not include purchased services  
23 as defined under subsection (9) of this section. This term does not  
24 include client services.

25 (8) "Personal service contract" means an agreement, or any  
26 amendment thereto, with a consultant for the rendering of personal  
27 services to the state which is consistent with RCW 41.06.380.

28 (9) "Purchased services" means services provided by a vendor to  
29 accomplish routine, continuing and necessary functions. This term  
30 includes, but is not limited to, services acquired under RCW 43.19.190  
31 or 43.105.041 for equipment maintenance and repair; operation of a  
32 physical plant; security; computer hardware and software maintenance;  
33 data entry; key punch services; and computer time-sharing, contract  
34 programming, and analysis.

35 (10) "Sole source" means a consultant providing professional or  
36 technical expertise of such a unique nature that the consultant is  
37 clearly and justifiably the only practicable source to provide the  
38 service. The justification shall be based on either the uniqueness of  
39 the service or sole availability at the location required.

1       **Sec. 2.** RCW 39.29.040 and 1998 c 101 s 7 are each amended to read  
2 as follows:

3       This chapter does not apply to:

4       (1) Contracts specifying a fee of less than five thousand dollars  
5 if the total of the contracts from that agency with the contractor  
6 within a fiscal year does not exceed five thousand dollars;

7       (2) Contracts awarded to companies that furnish a service where the  
8 tariff is established by the utilities and transportation commission or  
9 other public entity;

10       (3) Intergovernmental agreements awarded to any governmental  
11 entity, whether federal, state, or local and any department, division,  
12 or subdivision thereof;

13       (4) Contracts awarded for services to be performed for a standard  
14 fee, when the standard fee is established by the contracting agency or  
15 any other governmental entity and a like contract is available to all  
16 qualified applicants;

17       (5) Contracts for services that are necessary to the conduct of  
18 collaborative research if prior approval is granted by the funding  
19 source;

20       (6) ~~((Contracts for client services;~~

21       ~~(+7))~~ Contracts for architectural and engineering services as  
22 defined in RCW 39.80.020, which shall be entered into under chapter  
23 39.80 RCW;

24       ~~((+8))~~ (7) Contracts for the employment of expert witnesses for  
25 the purposes of litigation; and

26       ~~((+9))~~ (8) Contracts for bank supervision authorized under RCW  
27 30.38.040.

28       NEW SECTION. **Sec. 3.** A new section is added to chapter 39.29 RCW  
29 to read as follows:

30       (1) All personal service and client service contracts entered into  
31 by an agency shall require the contractor to report the salaries,  
32 annual bonuses, travel allowances, commissions, or other forms of  
33 remuneration paid for personal services to the following employees:

34       (a) The contractor's officers, as defined in chapter 24.03 RCW;

35       (b) The contractor's executive director;

36       (c) The employee who executed the contract; and

37       (d) The appropriate program director, or the employee responsible  
38 for insuring compliance with the contract's terms.

1       (2) The contractor shall make a disclosure report to the agency  
2       executing the contract no later than one year after the effective date  
3       of the contract, but prior to termination of the contract.

4       (3) The office of financial management shall establish a uniform  
5       reporting format for use by contractors fulfilling the reporting  
6       requirement under this section.

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