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OFFICE OF THE SECRETARY

BILL: House Bill 1003 - States of Emergency - Emergency Procurement and Budget Amendments - Notice and Authorization
COMMITTEE: House Appropriations
DATE: February 24, 2021
POSITION: Letter of Information

Upon review of House Bill 1003 – States of Emergency – Emergency Procurement and Budget Amendments – Notice and Authorization, the Department of General Services (DGS) provides these comments for your consideration.

House Bill 1003:

- Requires the Governor or the head of a unit to report to the Legislative Policy Committee an emergency procurement contract within 72 hours after execution of the contract or expenditures of the funds, whichever comes first.
 - **To require an agency to report the award of an emergency contract within 72 hours of making the award would be an administrative challenge and would impose an arbitrary component to a process used only when necessary and to avoid or mitigate serious damage to public health, safety, or welfare.**
 - **Agencies are currently required to report emergency contracts to the Board of Public Works within 45 days of award; House Bill 1003 will accelerate the expanded reporting requirements by 42 days, thus requiring additional staff.**
- Requires the Office of Legislative Audits to conduct an audit of the emergency procurement contract within one year of award.
- Requires the Governor to provide written notice to the Legislative Policy Committee and the Administrative, Executive, and Legislative Review Committee within 72 hours of the suspension of a statute, rule, or regulation.
- Requires the Board of Public Works to approve a budget amendment, if the amendment is essential to maintaining public safety, health, or welfare, including protecting the environment or the economic welfare of the State.

House Bill 1003 does not advance State procurement processes to be more effective, efficient, or transparent. It inhibits agency and procurement leaders to address matters of risk to public safety or property. The bill omits any awards made for emergency purposes by any other branch of government and only applies to the Executive branch. This impacts the Executive Branch, while not identifying any specific problem, but only layers additional processes thus increasing efforts, resources and time that procurement officers must exercise. The current emergency method, adopted by most states, was specifically intended to immediately address any risk to health and property.

For additional information, contact Ellen Robertson at 410-260-2908.

