
Performance Audit of the Implementation of Competitive Contracting

A Presentation of the Proposed Final Report

Joint Legislative Audit and Review Committee

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Competitive Contracting is One of Three Areas of the PSRA

- ❑ Personnel **S**ystem **R**eform **A**ct of 2002 often talked about as a three legged stool:
 - ➔ Civil Service Reform
 - ➔ Collective Bargaining
 - ➔ **Competitive Contracting**
- ❑ New contracting tool for managers:
 - ✓ **May** purchase services historically provided by employees (after following process)
 - ✓ Employees may compete against vendors

Audit Implementation of Competitive Contracting

- ❑ Personnel System Reform Act of 2002 directed JLARC audit
- ❑ Quickly learned little use of competitive contracting, with no agency charged with tracking: so how to audit ***implementation?***
 1. Look to see if rules and procedures are in place
 2. Develop understanding of why such limited use by talking to managers
 3. Look at experiences of other states

Statute Has Roles for GA, DOP, and OAH

- ❑ General Administration, the Department of Personnel, and the Office of Administrative Hearings have specific roles in statute.
- ❑ Found each has met statutory requirements
 - ➔ GA: established WAC and a detailed manual
 - ➔ DOP: established WAC and training program
 - ➔ OAH: developed protocol for appeals

JLARC Asked Managers “Why Such Limited Use?”

- ❑ A few agencies state they’ve used the process: Yakima Valley Community College, State Patrol, and Central Washington University
- ❑ Seems like not many: asked why?
 - 1) *It’s new: started in July 2005*
 - 2) *It’s complex, with many unknowns*
 - 3) *It’s intertwined with labor relations: **subject to collective bargaining***

Looked for States With Similar Approach to Employee Bidding

- Started with 50 states and narrowed review to 5 and the Federal Government
- No one common approach
- Limited experience with employee bidding
- Policies are changing and reacting to specific circumstances

Summary: May Be More a Labor Issue Than a Contracting Issue

1. Are rules and guidelines in place?

- ✓ Specific statutory direction to General Administration, the Department of Personnel, and the Office of Administrative Hearings to establish procedures:
they are in place

2. Why limited use of competitive contracting?

- ✓ Authorized beginning in July, 2005
- ✓ Perceived as complex and confusing, particularly employee bidding
- ✓ Most important: competitive contracting is subject to collective bargaining

3. Experiences of other states?

- ✓ No one common approach to involving employees. States evolving and reacting to circumstances

Agency Comments

- ❑ Agencies each provided comments focused on their duties:
 - **DOP** *Training*
 - **GA** *Process*
 - **OFM** *Office of Labor Relations*
 - **PERC** *Decisions on Unfair Labor Practices*

- ❑ Agency representatives are available for further comments and questions

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