

**H. B. 2745**

(By Delegates Howell, Faircloth, Hill, Ihle, Blair, Arvon, Stansbury,  
McGeehan, Hamrick, R. Phillips, Jr. and Kessinger)

[Introduced February 13, 2015; referred to the  
Committee on Government Organization then Finance.]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §5A-3-10f, relating to exempt spending unit contracts for goods or services; requiring that an exempt spending unit obtain authorization from the director of purchasing before entering into a contract for an amount equal to or exceeding ninety percent of the value of the largest state contract entered into by that spending unit during the two most recent fiscal years.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §5A-3-10f, to read as follows:

**ARTICLE 3. PURCHASING DIVISION.**

**§5A-3-10f. Exempt spending units; review and authorization of contracts exceeding a certain amount.**

**(a) For the purposes of this section--**

1       (1) "Contract value", "value", or "amount" means the total amount of money that a contract  
2 obligates a spending unit to pay.

3       (2) "Exempt spending unit" means a spending unit that is exempted, by statute, regulation  
4 or other official action, from the requirements of article three, chapter five-a of this code.

5       (3) "Fiscal year" means the state's fiscal year as established by section four, article two,  
6 chapter two of this code.

7       (4) "Spending unit" has the meaning established by section one, article one, chapter five-a  
8 of this code.

9       (b) An exempt spending unit may not sign or otherwise enter into a contract for the purchase  
10 of commodities, printing or services that obligates the spending unit to pay an amount equal to or  
11 exceeding ninety percent of the value of the largest contract entered into by that spending unit during  
12 the two most recent fiscal years, until the proposed contract has been reviewed and authorized by the  
13 director.

14       (c) The director shall review every proposed contract that obligates an exempt spending unit  
15 to pay an amount equal to or exceeding ninety percent of the value of the largest state contract  
16 entered into by that spending unit during the two most recent fiscal years. If the contract under  
17 review meets all of the requirements of this chapter and any other applicable provisions of this code,  
18 the director shall issue a certificate of authorization and file such certificate and a copy of the  
19 approved contract with the State Auditor.

20       (d) Notwithstanding any other provision of this code, the requirements of this section apply  
21 to every contract described in subsection (b), regardless of whether the contract or spending unit is  
22 exempt from the open bidding requirements of section ten of this chapter or from any other

1 requirement of this chapter.

2       (e) The director shall promulgate rules relating to the administration of this section. Rules  
3 shall include a procedure by which, at the end of each fiscal year, each exempt spending unit will  
4 be required to notify the director of the value of the largest contract entered into by that spending  
5 unit during the two most recent fiscal years.

NOTE: The purpose of this bill is to require an exempt spending unit to obtain authorization from the director of purchasing before entering into a contract for an amount equal to or exceeding ninety percent of the value of the largest contract entered into by the spending unit in the two most recent fiscal years.

This section is new; therefore, it has been completely underscored.