
**Community & Economic Development &
Trade Committee**

HB 1095

Brief Description: Increasing small business access to state contracting opportunities.

Sponsors: Representatives Hasegawa, Green, Nelson, Kelley, Kenney, Chase, Conway and Hudgins.

Brief Summary of Bill

- Requires state agency solicitations of purchased goods and services, personal services, information services, and printing services be posted on the state's common vendor registration and bid notification system.
- Requires the state's central services agencies to develop procurement policies and procedures which encourage and facilitate state agency purchases of products and services from Washington small businesses.

Hearing Date: 1/21/09

Staff: Meg Van Schoorl (786-7105)

Background:

State Procurement

Washington State agencies contract with individuals and companies outside of state government to provide certain goods and services. The state's purchasing authority is generally organized into categories based on the type of service. Among these categories, and the lead agency for each, are:

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- Purchased goods and services (Department of General Administration). These goods and services are ones provided by a vendor to accomplish routine, continuing and necessary functions.
- Personal services (Office of Financial Management). This term refers to professional or technical expertise provided by a consultant to accomplish a specific study or project.
- Information services (Department of Information Services/Information Services Board). These services include data processing, telecommunications, office automation, and computerized information systems.
- Printing services (State Printer). This term refers to the production of the state's printed materials.

Electronic Vendor Registration and Notification System

The Washington Electronic Business Solutions (WEBS) is the state's online portal through which government purchasers can post bid opportunities and vendors can register to automatically receive electronic notification of such solicitations. Effective November 1, 2008, the Office of State Procurement within the Department of General Administration issued a policy directive requiring state agencies to use WEBS as the minimum and common approach to notifying vendors of certain business opportunities. The policy applies to those solicitations that are required by rule to be advertised because they exceed specified dollar limits. These include:

- For General Administration, any solicitation exceeding \$46,200.
- For Department of Information Systems, any solicitation exceeding \$249,999.
- For Office of Financial Management, any solicitation exceeding \$19,999.

Agencies are encouraged, but not required, to follow this policy for procurements that do not require advertising.

Summary of Bill:

The Legislature finds state government procurement of goods and services to be a largely untapped market for Washington State small businesses. Increasing small business awareness of and access to state contracting opportunities is in the state's economic interest. In addition, broadened competition for state procurement awards will result in more competitive pricing of public contracts. The Legislature intends to require state agencies to use the common vendor registration and bid notification system for publishing all procurement notices. The Legislature also intends to direct the state's central services agencies to develop policies, procedures and materials that facilitate state procurement from small businesses.

The Department of General Administration, the Office of Financial Management, the Information Services Board, and the State Printer are required to develop procurement policies and procedures which encourage and facilitate state agency purchases of products and services from Washington small businesses to the maximum extent practicable and consistent with international trade commitments. Examples of such policies are unbundled and second tier contracts.

Competitive solicitations for purchased goods and services, personal services over \$5,000 and sole source personal services, information services, and printing services must be posted on the state's common vendor registration and bid notification system.

Appropriation: None.

Fiscal Note: Requested on January 14, 2009.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.