

# HOUSE BILL REPORT

## HB 2191

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As Reported By House Committee On:  
Trade, Economic Development & Housing

**Title:** An act relating to bidding procedures concerning minority and women-owned businesses.

**Brief Description:** Regulating bidding procedures concerning minority and women-owned businesses.

**Sponsors:** Representatives Ogden, Schoesler, Sheahan, Roland, Carlson, Rayburn and Wineberry; by request of Washington State University.

**Brief History:**

Reported by House Committee on:  
Trade, Economic Development & Housing, January 27, 1994,  
DPS.

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### HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Wineberry, Chair; Shin, Vice Chair; Schoesler, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Backlund; Casada; Conway; Quall; Sheldon; Springer; Valle; and Wood.

**Staff:** Bill Lynch (786-7092).

**Background:** The Legislature created the Office of Minority and Women's Business Enterprises in 1983 in order to increase the level of participation by minority and women-owned businesses in state contracts with the private sector. The office is required to establish annual goals for participation by qualified minority and women-owned businesses for each state agency and institution of higher education. The goals are established for public works as well as the procurement of goods and services and may be administered on a contract-by-contract basis or a class-of-contracts basis.

If it is considered necessary to accomplish the goals for minority and women-owned businesses participation, the contracts must be awarded to the next lowest bidder, or all bids rejected and new bids obtained if the lowest bidder does not meet the goals established for a particular

contract. The statute only refers to the next lowest bidder, not the next lowest responsible bidder. It is unclear whether it is permissive or mandatory for a state agency or institution of higher education to reject all bids and call for new bids if the next lowest bidder does not meet the contract goals.

**Summary of Substitute Bill:** References to contracts being awarded to the next lowest bidder in order to meet the goals for minority and women-owned participation are amended to refer to the next lowest responsible bidder. A state agency or institution of higher education may choose to reject all bids and call for new bids if the next lowest responsible bidder does not meet the goals established for the contract.

**Substitute Bill Compared to Original Bill:** Language is reinserted that requires the low bidder to be in compliance with the statutory requirements pertaining to minority and women-owned businesses before the bidder can be awarded the contract.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This is a housekeeping bill. It clarifies that a new call for bids is not required when the first two lowest bidders don't meet the contract requirements. This helps to show agency and higher education commitment to minority and women-owned enterprise goals if nonresponsive bidders can be rejected without rebidding the contract.

**Testimony Against:** None.

**Witnesses:** Rep. Val Ogden, prime sponsor; Jim Medina, Office of Minority and Women Business Enterprises (pro); Larry Ganders, Washington State University (pro); Larry Stevens, United Subcontractors Association (pro with amendment); and Duke Schaub, Associated General Contractors (pro with amendment).