

# HOUSE BILL REPORT

## HB 1921

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### As Reported By House Committee On:

Government Administration

**Title:** An act relating to bidding procedures used by state agencies and educational institutions to comply with goals for participation of women and minority-owned and controlled businesses in public works and procuring goods or services.

**Brief Description:** Revising bidding procedures used by state agencies and educational institutions to comply with goals for participation of women and minority-owned and controlled businesses in public works and procuring goods or services.

**Sponsors:** Representatives Honeyford, Smith, L. Thomas, Sterk, Boldt, Koster and Clements.

### Brief History:

#### Committee Activity:

Government Administration: 2/26/97, 3/5/97 [DPS].

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## HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Dunn; Reams; Smith; L. Thomas and Wensman.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunshee; Murray and Wolfe.

**Staff:** Steve Lundin (786-7127).

### Background:

1. Normal contracting procedures.

In general, state agencies and institutions of higher education make purchases using either a formal competitive bidding process or a less formal quotation process from vendors. Exceptions are made to this general requirement, including for purchases of a value of less than \$400.

In general, state agencies and institutions of higher education award contracts for public works using a formal competitive bidding process or a less formal small works roster process. Exceptions are made to these general requirements, including for awarding contracts for public works of below a specified dollar amount.

2. Women's and minority-owned and controlled businesses.

The Office of Minority and Women's Businesses develops overall goals for the participation by qualified women and minority-owned and controlled businesses in contracts let by each state agency and institution of higher education, certifies businesses as being women or minority-owned and controlled businesses, and adopts standard contract clauses for the inclusion of women and minority-owned businesses.

Each state agency and institution of higher education is required to comply with the annual goals established for the agency or institution and to adopt a plan to insure that minority and women-owned and controlled businesses are afforded the maximum practicable opportunity to directly and meaningfully participate in the public contracts let by the agency or institution for public works and the purchase of goods and services.

If it is necessary for a state agency or institution of higher education to meet these goals, a contract may be let to the next lowest responsible bidder in turn or all bids may be rejected and new bids obtained. An apparent low bidder must be in compliance with contract provisions required developed by the office of women and minority-owned businesses.

**Summary of Substitute Bill:** The House Government Administration Committee shall study the process by which contracts are let to women and minority businesses during the 1997 interim.

**Substitute Bill Compared to Original Bill:** The entire original bill is deleted and a study is provided.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Contracting under the existing procedures can raise costs.

**Testimony Against:** There are serious concerns with the original bill. It could increase costs.

**Testified:** Representative Honeyford, prime sponsor; Kathleen Nichols, University of Washington; Duke Schaub, Associated General Contractors; Ken Walker, Washington State Department of Transportation; and Jim Medina, Office of Minority and Women's Business Enterprises.