

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5723**

61st Legislature  
2009 Regular Session

Passed by the Senate April 22, 2009  
YEAS 49 NAYS 0

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**President of the Senate**

Passed by the House April 14, 2009  
YEAS 95 NAYS 2

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**Speaker of the House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5723** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5723**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2009 Regular Session

**State of Washington                      61st Legislature                      2009 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Shin, and Swecker)

READ FIRST TIME 02/12/09.

1            AN ACT Relating to providing support for small business assistance;  
2 amending RCW 28B.30.530, 30.60.010, 39.29.006, 39.29.011, 39.29.018,  
3 39.29.065, 43.19.1905, 43.19.1908, 43.78.110, 43.105.041, and  
4 43.105.020; adding a new section to chapter 28B.30 RCW; and creating  
5 new sections.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7            **Sec. 1.** RCW 28B.30.530 and 1984 c 77 s 1 are each amended to read  
8 as follows:

9            (1) The board of regents of Washington State University shall  
10 establish the Washington State University small business development  
11 center.

12            (2) The center shall provide management and technical assistance  
13 including but not limited to training, counseling, and research  
14 services to small businesses throughout the state. The center shall  
15 work with ~~((public and private community development and economic  
16 assistance agencies and shall work towards the goal of coordinating  
17 activities with such agencies to avoid duplication of services))~~ the  
18 department of community, trade, and economic development, the state  
19 board for community and technical colleges, the higher education

1 coordinating board, the workforce training and education coordinating  
2 board, the employment security department, the Washington state  
3 economic development commission, associate development organizations,  
4 and workforce development councils to:

5 (a) Integrate small business development centers with other state  
6 and local economic development and workforce development programs;

7 (b) Target the centers' services to small businesses;

8 (c) Tailor outreach and services at each center to the needs and  
9 demographics of entrepreneurs and small businesses located within the  
10 service area;

11 (d) Establish and expand small business development center  
12 satellite offices when financially feasible; and

13 (e) Coordinate delivery of services to avoid duplication.

14 (3) The administrator of the center may contract with other public  
15 or private entities for the provision of specialized services.

16 (4) The small business ((and)) development center may accept and  
17 disburse federal grants or federal matching funds or other funds or  
18 donations from any source when made, granted, or donated to carry out  
19 the center's purposes. When drawing on funds from the business  
20 assistance account created in section 3 of this act, the center must  
21 first use the funds to make increased management and technical  
22 assistance available to small and start-up businesses at satellite  
23 offices. The funds may also be used to develop and expand assistance  
24 programs such as small business planning workshops and small business  
25 counseling.

26 (5) The legislature directs the small business development center  
27 to request United States small business administration approval of a  
28 special emphasis initiative, as permitted under 13 CFR 130.340(c) as of  
29 April 1, 2009, to target assistance to Washington state's smaller  
30 businesses. This initiative would be negotiated and included in the  
31 first cooperative agreement application process that occurs after the  
32 effective date of this section.

33 (6) By December 1, 2009, and December 1, 2010, respectively, the  
34 center shall provide a written progress report and a final report to  
35 the appropriate committees of the legislature with respect to the  
36 requirements in subsections (2) and (5) of this section and the amount  
37 and use of funding received through the business assistance account.  
38 The reports must also include data on the number, location, staffing,

1 and budget levels of satellite offices; affiliations with community  
2 colleges, associate development organizations or other local  
3 organizations; the number, size, and type of small businesses assisted;  
4 and the types of services provided. The reports must also include  
5 information on the outcomes achieved, such as jobs created or retained,  
6 private capital invested, and return on the investment of state and  
7 federal dollars.

8 NEW SECTION. Sec. 2. A new section is added to chapter 28B.30 RCW  
9 to read as follows:

10 The business assistance account is created in the custody of the  
11 state treasurer. Expenditures from the account may be used only for  
12 the expansion of business assistance services delivered by the small  
13 business development center created in RCW 28B.30.530. Only the  
14 administrator of the center or the administrator's designee may  
15 authorize expenditures from the account. The account is subject to  
16 allotment procedures under chapter 43.88 RCW, but an appropriation is  
17 not required for expenditures.

18 **Sec. 3.** RCW 30.60.010 and 2008 c 240 s 1 are each amended to read  
19 as follows:

20 (1) In conducting an examination of a bank chartered under Title 30  
21 RCW, the director shall investigate and assess the record of  
22 performance of the bank in meeting the credit needs of the bank's  
23 entire community, including low and moderate-income neighborhoods. The  
24 director shall accept, in lieu of an investigation or part of an  
25 investigation required by this section, any report or document that the  
26 bank is required to prepare or file with one or more federal agencies  
27 by the act of Congress entitled the "Community Reinvestment Act of  
28 1977" and the regulations promulgated in accordance with that act, to  
29 the extent such reports or documents assist the director in making an  
30 assessment based upon the factors outlined in subsection (2) of this  
31 section.

32 (2) In making an investigation required under subsection (1) of  
33 this section, the director shall consider, independent of any federal  
34 determination, the following factors in assessing the bank's record of  
35 performance:

1 (a) Activities conducted by the institution to ascertain credit  
2 needs of its community, including the extent of the institution's  
3 efforts to communicate with members of its community regarding the  
4 credit services being provided by the institution;

5 (b) The extent of the institution's marketing and special credit  
6 related programs to make members of the community aware of the credit  
7 services offered by the institution;

8 (c) The extent of participation by the institution's board of  
9 directors in formulating the institution's policies and reviewing its  
10 performance with respect to the purposes of the Community Reinvestment  
11 Act of 1977;

12 (d) Any practices intended to discourage applications for types of  
13 credit set forth in the institution's community reinvestment act  
14 statement(s);

15 (e) The geographic distribution of the institution's credit  
16 extensions, credit applications, and credit denials;

17 (f) Evidence of prohibited discriminatory or other illegal credit  
18 practices;

19 (g) The institution's record of opening and closing offices and  
20 providing services at offices;

21 (h) The institution's participation, including investments, in  
22 local community and microenterprise development projects;

23 (i) The institution's origination of residential mortgage loans,  
24 housing rehabilitation loans, home improvement loans, and small  
25 business or small farm loans within its community, or the purchase of  
26 such loans originated in its community;

27 (j) The institution's participation in governmentally insured,  
28 guaranteed, or subsidized loan programs for housing, small businesses,  
29 or small farms;

30 (k) The institution's ability to meet various community credit  
31 needs based on its financial condition, size, legal impediments, local  
32 economic condition, and other factors;

33 (l) The institution's contribution of cash or in-kind support to  
34 local or statewide organizations that provide counseling, training,  
35 financing, or other services to small businesses; and

36 (m) Other factors that, in the judgment of the director, reasonably  
37 bear upon the extent to which an institution is helping to meet the  
38 credit needs of its entire community.

1 (3) The director shall include as part of the examination report,  
2 a summary of the results of the assessment required under subsection  
3 (1) of this section and shall assign annually to each bank a numerical  
4 community reinvestment rating based on a one through five scoring  
5 system. Such numerical scores shall represent performance assessments  
6 as follows:

- 7 (a) Excellent performance: 1
- 8 (b) Good performance: 2
- 9 (c) Satisfactory performance: 3
- 10 (d) Inadequate performance: 4
- 11 (e) Poor performance: 5

12 NEW SECTION. **Sec. 4.** If any part of this act is found to be in  
13 conflict with federal requirements that are a prescribed condition to  
14 the allocation of federal funds to the state, the conflicting part of  
15 this act is inoperative solely to the extent of the conflict and with  
16 respect to the agencies directly affected, and this finding does not  
17 affect the operation of the remainder of this act in its application to  
18 the agencies concerned. Rules adopted under this act must meet federal  
19 requirements, including guidelines set by the United States small  
20 business administration, that are a necessary condition to the receipt  
21 of federal funds by the state.

22 NEW SECTION. **Sec. 5.** In addition to providing integrated,  
23 tailored management and technical assistance services to Washington  
24 small businesses, the legislature intends that the state shall further  
25 support them by developing procurement policies, procedures, and  
26 materials that encourage and facilitate state agency purchase of  
27 products and services from Washington small businesses.

28 **Sec. 6.** RCW 39.29.006 and 2002 c 354 s 235 are each amended to  
29 read as follows:

30 As used in this chapter:

31 (1) "Agency" means any state office or activity of the executive  
32 and judicial branches of state government, including state agencies,  
33 departments, offices, divisions, boards, commissions, and educational,  
34 correctional, and other types of institutions.

1 (2) "Client services" means services provided directly to agency  
2 clients including, but not limited to, medical and dental services,  
3 employment and training programs, residential care, and subsidized  
4 housing.

5 (3) "Common vendor registration and bid notification system" means  
6 the internet-based vendor registration and bid notification system  
7 maintained by and housed within the department of general  
8 administration. The requirements contained in chapter . . . , Laws of  
9 2009 (this act) shall continue to apply to this system, regardless of  
10 future changes to its name or management structure.

11 (4) "Competitive solicitation" means a documented formal process  
12 providing an equal and open opportunity to qualified parties and  
13 culminating in a selection based on criteria which may include such  
14 factors as the consultant's fees or costs, ability, capacity,  
15 experience, reputation, responsiveness to time limitations,  
16 responsiveness to solicitation requirements, quality of previous  
17 performance, and compliance with statutes and rules relating to  
18 contracts or services. "Competitive solicitation" includes posting of  
19 the contract opportunity on the state's common vendor registration and  
20 bid notification system.

21 ((+4)) (5) "Consultant" means an independent individual or firm  
22 contracting with an agency to perform a service or render an opinion or  
23 recommendation according to the consultant's methods and without being  
24 subject to the control of the agency except as to the result of the  
25 work. The agency monitors progress under the contract and authorizes  
26 payment.

27 ((+5)) (6) "Emergency" means a set of unforeseen circumstances  
28 beyond the control of the agency that either:

29 (a) Present a real, immediate threat to the proper performance of  
30 essential functions; or

31 (b) May result in material loss or damage to property, bodily  
32 injury, or loss of life if immediate action is not taken.

33 ((+6)) (7) "Evidence of competition" means documentation  
34 demonstrating that the agency has solicited responses from multiple  
35 firms in selecting a consultant. "Evidence of competition" includes  
36 documentation that the agency has posted the contract opportunity on  
37 the state's common vendor registration and bid notification system.

1        ~~((7))~~ (8) "Personal service" means professional or technical  
2 expertise provided by a consultant to accomplish a specific study,  
3 project, task, or other work statement. This term does not include  
4 purchased services as defined under subsection ~~((9))~~ (10) of this  
5 section. This term does include client services.

6        ~~((8))~~ (9) "Personal service contract" means an agreement, or any  
7 amendment thereto, with a consultant for the rendering of personal  
8 services to the state which is consistent with RCW 41.06.142.

9        ~~((9))~~ (10) "Purchased services" means services provided by a  
10 vendor to accomplish routine, continuing and necessary functions. This  
11 term includes, but is not limited to, services acquired under RCW  
12 43.19.190 or 43.105.041 for equipment maintenance and repair; operation  
13 of a physical plant; security; computer hardware and software  
14 maintenance; data entry; key punch services; and computer time-sharing,  
15 contract programming, and analysis.

16        ~~((10))~~ (11) "Small business" means an in-state business,  
17 including a sole proprietorship, corporation, partnership, or other  
18 legal entity that is owned and operated independently from all other  
19 businesses and has either (a) fifty or fewer employees, or (b) a gross  
20 revenue of less than seven million dollars annually as reported on its  
21 federal income tax return or its return filed with the department of  
22 revenue over the previous three consecutive years. As used in this  
23 definition, "in-state business" means a business that has its principal  
24 office located in Washington and its officers domiciled in Washington.

25        (12) "Sole source" means a consultant providing professional or  
26 technical expertise of such a unique nature that the consultant is  
27 clearly and justifiably the only practicable source to provide the  
28 service. The justification shall be based on either the uniqueness of  
29 the service or sole availability at the location required.

30        **Sec. 7.** RCW 39.29.011 and 1998 c 101 s 3 are each amended to read  
31 as follows:

32        All personal service contracts shall be entered into pursuant to  
33 competitive solicitation, except for:

- 34        (1) Emergency contracts;  
35        (2) Sole source contracts;  
36        (3) Contract amendments;



1 (4) Contracts between a consultant and an agency of less than  
2 twenty thousand dollars. However, contracts of five thousand dollars  
3 or greater but less than twenty thousand dollars shall have documented  
4 evidence of competition, which must include agency posting of the  
5 contract opportunity on the state's common vendor registration and bid  
6 notification system. Agencies shall not structure contracts to evade  
7 these requirements; and

8 (5) Other specific contracts or classes or groups of contracts  
9 exempted from the competitive solicitation process by the director of  
10 the office of financial management when it has been determined that a  
11 competitive solicitation process is not appropriate or cost-effective.

12 **Sec. 8.** RCW 39.29.018 and 1998 c 101 s 5 are each amended to read  
13 as follows:

14 (1) Sole source contracts shall be filed with the office of  
15 financial management and made available for public inspection at least  
16 ten working days prior to the proposed starting date of the contract.  
17 Documented justification for sole source contracts shall be provided to  
18 the office of financial management when the contract is filed, and must  
19 include evidence that the agency posted the contract opportunity on the  
20 state's common vendor registration and bid notification system. For  
21 sole source contracts of twenty thousand dollars or more, documented  
22 justification shall also include evidence that the agency attempted to  
23 identify potential consultants by advertising through statewide or  
24 regional newspapers.

25 (2) The office of financial management shall approve sole source  
26 contracts of twenty thousand dollars or more before any such contract  
27 becomes binding and before any services may be performed under the  
28 contract. These requirements shall also apply to sole source contracts  
29 of less than twenty thousand dollars if the total amount of such  
30 contracts between an agency and the same consultant is twenty thousand  
31 dollars or more within a fiscal year. Agencies shall ensure that the  
32 costs, fees, or rates negotiated in filed sole source contracts of  
33 twenty thousand dollars or more are reasonable.

34 **Sec. 9.** RCW 39.29.065 and 1998 c 101 s 9 are each amended to read  
35 as follows:

36 To implement this chapter, the director of the office of financial

1 management shall establish procedures for the competitive solicitation  
2 and award of personal service contracts, recordkeeping requirements,  
3 and procedures for the reporting and filing of contracts. The director  
4 shall develop procurement policies and procedures, such as unbundled  
5 contracting and subcontracting, that encourage and facilitate the  
6 purchase of products and services by state agencies and institutions  
7 from Washington small businesses to the maximum extent practicable and  
8 consistent with international trade agreement commitments. For  
9 reporting purposes, the director may establish categories for grouping  
10 of contracts. The procedures required under this section shall also  
11 include the criteria for amending personal service contracts. At the  
12 beginning of each biennium, the director may, by administrative policy,  
13 adjust the dollar thresholds prescribed in RCW 39.29.011, 39.29.018,  
14 and 39.29.040(~~(, and 39.29.068)~~) to levels not to exceed the percentage  
15 increase in the implicit price deflator. Adjusted dollar thresholds  
16 shall be rounded to the nearest five hundred dollar increment.

17 **Sec. 10.** RCW 43.19.1905 and 2008 c 215 s 4 are each amended to  
18 read as follows:

19 (1) The director of general administration shall establish overall  
20 state policy for compliance by all state agencies, including  
21 educational institutions, regarding the following purchasing and  
22 material control functions:

23 (a) Development of a state commodity coding system, including  
24 common stock numbers for items maintained in stores for reissue;

25 (b) Determination where consolidations, closures, or additions of  
26 stores operated by state agencies and educational institutions should  
27 be initiated;

28 (c) Institution of standard criteria for determination of when and  
29 where an item in the state supply system should be stocked;

30 (d) Establishment of stock levels to be maintained in state stores,  
31 and formulation of standards for replenishment of stock;

32 (e) Formulation of an overall distribution and redistribution  
33 system for stock items which establishes sources of supply support for  
34 all agencies, including interagency supply support;

35 (f) Determination of what function data processing equipment,  
36 including remote terminals, shall perform in statewide purchasing and  
37 material control for improvement of service and promotion of economy;

1 (g) Standardization of records and forms used statewide for supply  
2 system activities involving purchasing, receiving, inspecting, storing,  
3 requisitioning, and issuing functions, including a standard  
4 notification form for state agencies to report cost-effective direct  
5 purchases, which shall at least identify the price of the goods as  
6 available through the division of purchasing, the price of the goods as  
7 available from the alternative source, the total savings, and the  
8 signature of the notifying agency's director or the director's  
9 designee;

10 (h) Screening of supplies, material, and equipment excess to the  
11 requirements of one agency for overall state need before sale as  
12 surplus;

13 (i) Establishment of warehouse operation and storage standards to  
14 achieve uniform, effective, and economical stores operations;

15 (j) Establishment of time limit standards for the issuing of  
16 material in store and for processing requisitions requiring purchase;

17 (k) Formulation of criteria for determining when centralized rather  
18 than decentralized purchasing shall be used to obtain maximum benefit  
19 of volume buying of identical or similar items, including procurement  
20 from federal supply sources;

21 (l) Development of criteria for use of leased, rather than state  
22 owned, warehouse space based on relative cost and accessibility;

23 (m) Institution of standard criteria for purchase and placement of  
24 state furnished materials, carpeting, furniture, fixtures, and nonfixed  
25 equipment, in newly constructed or renovated state buildings;

26 (n) Determination of how transportation costs incurred by the state  
27 for materials, supplies, services, and equipment can be reduced by  
28 improved freight and traffic coordination and control;

29 (o) Establishment of a formal certification program for state  
30 employees who are authorized to perform purchasing functions as agents  
31 for the state under the provisions of chapter 43.19 RCW;

32 (p) Development of performance measures for the reduction of total  
33 overall expense for material, supplies, equipment, and services used  
34 each biennium by the state;

35 (q) Establishment of a standard system for all state organizations  
36 to record and report dollar savings and cost avoidance which are  
37 attributable to the establishment and implementation of improved  
38 purchasing and material control procedures;

1 (r) Development of procedures for mutual and voluntary cooperation  
2 between state agencies, including educational institutions, and  
3 political subdivisions for exchange of purchasing and material control  
4 services;

5 (s) Resolution of all other purchasing and material matters which  
6 require the establishment of overall statewide policy for effective and  
7 economical supply management;

8 (t) Development of guidelines and criteria for the purchase of  
9 vehicles, high gas mileage vehicles, alternate vehicle fuels and  
10 systems, equipment, and materials that reduce overall energy-related  
11 costs and energy use by the state, including investigations into all  
12 opportunities to aggregate the purchasing of clean technologies by  
13 state and local governments, and including the requirement that new  
14 passenger vehicles purchased by the state meet the minimum standards  
15 for passenger automobile fuel economy established by the United States  
16 secretary of transportation pursuant to the energy policy and  
17 conservation act (15 U.S.C. Sec. 2002);

18 (u) Development of goals for state use of recycled or  
19 environmentally preferable products through specifications for products  
20 and services, processes for requests for proposals and requests for  
21 qualifications, contractor selection, and contract negotiations;

22 (v) Development of procurement policies and procedures, such as  
23 unbundled contracting and subcontracting, that encourage and facilitate  
24 the purchase of products and services by state agencies and  
25 institutions from Washington small businesses to the maximum extent  
26 practicable and consistent with international trade agreement  
27 commitments;

28 (w) Development of food procurement procedures and materials that  
29 encourage and facilitate the purchase of Washington grown food by state  
30 agencies and institutions to the maximum extent practicable and  
31 consistent with international trade agreement commitments; and

32 ((+w)) (x) Development of policies requiring all food contracts to  
33 include a plan to maximize to the extent practicable and consistent  
34 with international trade agreement commitments the availability of  
35 Washington grown food purchased through the contract.

36 (2) ((As used in this section,)) The department of general  
37 administration shall convene a working group including representatives  
38 of the office of financial management, the department of information

1 services, and the state printer. The purpose of the working group is  
2 to work collaboratively to develop common policies and procedures that  
3 encourage and facilitate state government purchases from Washington  
4 small businesses, as required in subsection (1)(v) of this section, and  
5 in RCW 39.29.065, 43.78.110, and 43.105.041(1)(j). By December 1,  
6 2009, these central services agencies shall jointly provide a written  
7 progress report to the governor and legislature on actions taken and  
8 planned, barriers identified, and solutions recommended to reach this  
9 goal.

10 (3) The definitions in this subsection apply throughout this  
11 section and RCW 43.19.1908.

12 (a) "Common vendor registration and bid notification system" has  
13 the definition in RCW 39.29.006.

14 (b) "Small business" has the definition in RCW 39.29.006.

15 (c) "Washington grown" has the definition in RCW 15.64.060.

16 **Sec. 11.** RCW 43.19.1908 and 2006 c 363 s 2 are each amended to  
17 read as follows:

18 Competitive bidding required by RCW 43.19.190 through 43.19.1939  
19 shall be solicited by public notice, by posting of the contract  
20 opportunity on the state's common vendor registration and bid  
21 notification system, and through the sending of notices by mail,  
22 electronic transmission, or other means to bidders on the appropriate  
23 list of bidders who shall have qualified by application to the division  
24 of purchasing. Bids may be solicited by the purchasing division from  
25 any source thought to be of advantage to the state. All bids shall be  
26 in written or electronic form and conform to rules of the division of  
27 purchasing.

28 **Sec. 12.** RCW 43.78.110 and 1993 c 379 s 107 are each amended to  
29 read as follows:

30 (1) Whenever in the judgment of the public printer certain  
31 printing, ruling, binding, or supplies can be secured from private  
32 sources more economically than by doing the work or preparing the  
33 supplies in the state printing plant, the public printer may obtain  
34 such work or supplies from such private sources. The solicitation for  
35 the contract opportunity must be posted on the state's common vendor  
36 registration and bid notification system. The public printer shall

1 develop procurement policies and procedures, such as unbundled  
2 contracting and subcontracting, that encourage and facilitate the  
3 purchase of such services or supplies from Washington small businesses  
4 to the maximum extent practicable and consistent with international  
5 trade agreement commitments.

6 (2) In event any work or supplies are secured on behalf of the  
7 state under this section the state printing plant shall be entitled to  
8 add up to five percent to the cost thereof to cover the handling of the  
9 orders which shall be added to the bills and charged to the respective  
10 authorities ordering the work or supplies. The five percent handling  
11 charge shall not apply to contracts with institutions of higher  
12 education.

13 (3) The definitions in this subsection apply throughout this  
14 section.

15 (a) "Common vendor registration and bid notification system" has  
16 the definition in RCW 39.29.006.

17 (b) "Small business" has the definition in RCW 39.29.006.

18 **Sec. 13.** RCW 43.105.041 and 2003 c 18 s 3 are each amended to read  
19 as follows:

20 (1) The board shall have the following powers and duties related to  
21 information services:

22 (a) To develop standards and procedures governing the acquisition  
23 and disposition of equipment, proprietary software and purchased  
24 services, licensing of the radio spectrum by or on behalf of state  
25 agencies, and confidentiality of computerized data;

26 (b) To purchase, lease, rent, or otherwise acquire, dispose of, and  
27 maintain equipment, proprietary software, and purchased services, or to  
28 delegate to other agencies and institutions of state government, under  
29 appropriate standards, the authority to purchase, lease, rent, or  
30 otherwise acquire, dispose of, and maintain equipment, proprietary  
31 software, and purchased services: PROVIDED, That, agencies and  
32 institutions of state government are expressly prohibited from  
33 acquiring or disposing of equipment, proprietary software, and  
34 purchased services without such delegation of authority. The  
35 acquisition and disposition of equipment, proprietary software, and  
36 purchased services is exempt from RCW 43.19.1919 and, as provided in  
37 RCW 43.19.1901, from the provisions of RCW 43.19.190 through 43.19.200,

1 except that the board, the department, and state agencies, as  
2 delegated, must post notices of technology procurement bids on the  
3 state's common vendor registration and bid notification system. This  
4 subsection (1)(b) does not apply to the legislative branch;

5 (c) To develop statewide or interagency technical policies,  
6 standards, and procedures;

7 (d) To review and approve standards and common specifications for  
8 new or expanded telecommunications networks proposed by agencies,  
9 public postsecondary education institutions, educational service  
10 districts, or statewide or regional providers of K-12 information  
11 technology services, and to assure the cost-effective development and  
12 incremental implementation of a statewide video telecommunications  
13 system to serve: Public schools; educational service districts;  
14 vocational-technical institutes; community colleges; colleges and  
15 universities; state and local government; and the general public  
16 through public affairs programming;

17 (e) To provide direction concerning strategic planning goals and  
18 objectives for the state. The board shall seek input from the  
19 legislature and the judiciary;

20 (f) To develop and implement a process for the resolution of  
21 appeals by:

22 (i) Vendors concerning the conduct of an acquisition process by an  
23 agency or the department; or

24 (ii) A customer agency concerning the provision of services by the  
25 department or by other state agency providers;

26 (g) To establish policies for the periodic review by the department  
27 of agency performance which may include but are not limited to analysis  
28 of:

29 (i) Planning, management, control, and use of information services;

30 (ii) Training and education; and

31 (iii) Project management;

32 (h) To set its meeting schedules and convene at scheduled times, or  
33 meet at the request of a majority of its members, the chair, or the  
34 director; ((and))

35 (i) To review and approve that portion of the department's budget  
36 requests that provides for support to the board; and

37 (j) To develop procurement policies and procedures, such as  
38 unbundled contracting and subcontracting, that encourage and facilitate

1 the purchase of products and services by state agencies and  
2 institutions from Washington small businesses to the maximum extent  
3 practicable and consistent with international trade agreement  
4 commitments.

5 (2) Statewide technical standards to promote and facilitate  
6 electronic information sharing and access are an essential component of  
7 acceptable and reliable public access service and complement content-  
8 related standards designed to meet those goals. The board shall:

9 (a) Establish technical standards to facilitate electronic access  
10 to government information and interoperability of information systems,  
11 including wireless communications systems. Local governments are  
12 strongly encouraged to follow the standards established by the board;  
13 and

14 (b) Require agencies to consider electronic public access needs  
15 when planning new information systems or major upgrades of systems.

16 In developing these standards, the board is encouraged to include  
17 the state library, state archives, and appropriate representatives of  
18 state and local government.

19 (3)(a) The board, in consultation with the K-20 board, has the duty  
20 to govern, operate, and oversee the technical design, implementation,  
21 and operation of the K-20 network including, but not limited to, the  
22 following duties: Establishment and implementation of K-20 network  
23 technical policy, including technical standards and conditions of use;  
24 review and approval of network design; procurement of shared network  
25 services and equipment; and resolving user/provider disputes concerning  
26 technical matters. The board shall delegate general operational and  
27 technical oversight to the K-20 network technical steering committee as  
28 appropriate.

29 (b) The board has the authority to adopt rules under chapter 34.05  
30 RCW to implement the provisions regarding the technical operations and  
31 conditions of use of the K-20 network.

32 **Sec. 14.** RCW 43.105.020 and 2003 c 18 s 2 are each amended to read  
33 as follows:

34 As used in this chapter, unless the context indicates otherwise,  
35 the following definitions shall apply:

- 36 (1) "Department" means the department of information services;
- 37 (2) "Board" means the information services board;



- 1           (3) "Committee" means the state interoperability executive  
2 committee;
- 3           (4) "Local governments" includes all municipal and quasi municipal  
4 corporations and political subdivisions, and all agencies of such  
5 corporations and subdivisions authorized to contract separately;
- 6           (5) "Director" means the director of the department;
- 7           (6) "Purchased services" means services provided by a vendor to  
8 accomplish routine, continuing, and necessary functions. This term  
9 includes, but is not limited to, services acquired for equipment  
10 maintenance and repair, operation of a physical plant, security,  
11 computer hardware and software installation and maintenance,  
12 telecommunications installation and maintenance, data entry, keypunch  
13 services, programming services, and computer time-sharing;
- 14           (7) "Backbone network" means the shared high-density portions of  
15 the state's telecommunications transmission facilities. It includes  
16 specially conditioned high-speed communications carrier lines,  
17 multiplexors, switches associated with such communications lines, and  
18 any equipment and software components necessary for management and  
19 control of the backbone network;
- 20           (8) "Telecommunications" means the transmission of information by  
21 wire, radio, optical cable, electromagnetic, or other means;
- 22           (9) "Information" includes, but is not limited to, data, text,  
23 voice, and video;
- 24           (10) "Information processing" means the electronic capture,  
25 collection, storage, manipulation, transmission, retrieval, and  
26 presentation of information in the form of data, text, voice, or image  
27 and includes telecommunications and office automation functions;
- 28           (11) "Information services" means data processing,  
29 telecommunications, office automation, and computerized information  
30 systems;
- 31           (12) "Equipment" means the machines, devices, and transmission  
32 facilities used in information processing, such as computers, word  
33 processors, terminals, telephones, wireless communications system  
34 facilities, cables, and any physical facility necessary for the  
35 operation of such equipment;
- 36           (13) "Information technology portfolio" or "portfolio" means a  
37 strategic management process documenting relationships between agency  
38 missions and information technology and telecommunications investments;

1 (14) "Oversight" means a process of comprehensive risk analysis and  
2 management designed to ensure optimum use of information technology  
3 resources and telecommunications;

4 (15) "Proprietary software" means that software offered for sale or  
5 license;

6 (16) "Video telecommunications" means the electronic  
7 interconnection of two or more sites for the purpose of transmitting  
8 and/or receiving visual and associated audio information. Video  
9 telecommunications shall not include existing public television  
10 broadcast stations as currently designated by the department of  
11 community, trade, and economic development under chapter 43.330 RCW;

12 (17) "K-20 educational network board" or "K-20 board" means the K-  
13 20 educational network board created in RCW 43.105.800;

14 (18) "K-20 network technical steering committee" or "committee"  
15 means the K-20 network technical steering committee created in RCW  
16 43.105.810;

17 (19) "K-20 network" means the network established in RCW  
18 43.105.820;

19 (20) "Educational sectors" means those institutions of higher  
20 education, school districts, and educational service districts that use  
21 the network for distance education, data transmission, and other uses  
22 permitted by the K-20 board.

23 (21) "Common vendor registration and bid notification system" has  
24 the definition in RCW 39.29.006.

25 (22) "Small business" has the definition in RCW 39.29.006.

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