
**Community & Economic Development &
Trade Committee**

HB 1087

Brief Description: Improving the effectiveness of the office of minority and women's business enterprises.

Sponsors: Representatives Kenney, Pettigrew, Hasegawa, Darneille, Chase, Nelson, Sullivan, Dickerson, Hudgins, White and Upthegrove.

Brief Summary of Bill

- Requires the Office of Minority and Women's Business Enterprises, in consultation with the Advisory Committee on Minority and Women's Business Enterprises (Advisory Committee), to develop a strategic plan to address communications, outreach, streamlined certification, technical assistance, barriers to inclusion of firms in state procurement, and accountability measures.
- Specifies the membership composition and other requirements that apply to the Advisory Committee beginning August 1, 2009, and authorizes committee members to receive travel reimbursement.

Hearing Date: 1/19/09

Staff: Chris Cordes (786-7103)

Background:

The Office of Minority and Women's Business Enterprises (OMWBE) was created in 1983 with the statutory purpose of providing minority and women-owned business enterprises (MWBE) the maximum practicable opportunity for increased participation in public works contracts and public contracts for goods and services. Among other things, the OMWBE is required to:

- develop and implement programs and a comprehensive plan to provide an opportunity for qualified MWBE to participate in public works and in supplying goods and services to state agencies and educational institutions;

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- identify barriers to equal participation by qualified MWBE in state agency and educational contracts;
- establish annual overall goals for MWBE participation for each state agency and educational institution;
- develop and maintain a central MWBE certification list for state agencies and educational institutions; and
- submit an annual report to the Governor and the Legislature outlining the progress in implementing the program.

The OMWBE is the sole authority for certifying minority, women-owned, and socially and economically disadvantaged businesses for participation in public contracting programs. Only small business concerns, as defined by the OMWBE, may be certified.

Annual goals for participation in state contracts by qualified MWBE are established under an administrative rule. The rule uses a percentage of the reporting base, which includes all expenditure for public works, personal services, and the procurement of goods and services by state agencies and educational institutions.

The Director may establish ad hoc advisory committees as necessary to assist in the development of policies.

Initiative 200 (I-200), adopted by the voters in 1998, prohibits discrimination or preferential treatment in public contracting on the basis of race, sex, color, ethnicity, or nationality. After I-200's passage, Governor Locke issued a directive on the implementation of programs, such as the OMWBE program, in light of I-200. Governor Locke directed that, in accordance with I-200, state agencies could not consider race, sex, color, ethnicity, or national origin in awarding contracts. Nor could agencies add preferences for meeting MWBE goals or award a contract to a bidder who did not submit the lowest bid but who met MWBE goals. He further directed the OMWBE to continue establishing laudatory, voluntary goals for state agencies and educational institutions to help eliminate improper discrimination by identifying disparities in participation by MWBE in state contracts. He directed these agencies and institutions to intensify their outreach and recruitment efforts to increase the number of available contractors within under represented groups.

In 2006 Governor Gregoire asked state agencies to work with the OMWBE to implement a Supplier Diversity Program. In her letter to the state agency directors, she noted that state contracts with certified MWBE had declined over the previous six years. For minority businesses, the decline was from 5 percent to less than 1 percent and, for women-owned businesses, from 4 percent to 1 percent. She asked the agencies to designate agency leaders, track progress, and implement practical solutions.

Summary of Bill:

OMWBE Strategic Plan

The Office of Minority and Women's Business Enterprises (OMWBE) must develop a strategic plan to improve its effectiveness, with timelines and strategies to:

- facilitate communication with and among minority and women-owned business enterprises on contracting with the state;
- improve outreach to small businesses;
- streamline the statewide certification process;
- focus technical assistance to small businesses and certified firms;
- address barriers to inclusion of certified firms in the state procurement process; and
- develop accountability measures to use in reporting progress.

The plan must be developed in consultation with the Advisory Committee on Minority and Women's Business Enterprises (Advisory Committee), be updated annually, and be reported annually to the Governor and the Legislature beginning December 1, 2009, with a preliminary report on September 1, 2009.

Agency Data Reporting

For the purpose of annual strategic plan reporting, state agencies and educational institutions must submit, at least annually, data to the OMWBE on the participation by qualified MWBE in their contracts. The Director of the OMWBE (Director) will determine the content, format, and reporting schedule for the data reports.

Advisory Committee

The reference to ad hoc advisory committees is deleted. By August 1, 2009, the Director must establish the Advisory Committee to provide the director with policy advice, as well as to assist in the development of policies. The Advisory Committee must meet at least six times per year, and members may participate by teleconferencing. The Advisory Committee may include up to 15 members who must:

- be as diverse and representative as possible of certified businesses and their organizations;
- reflect statewide geographic distribution of small businesses; and
- not represent more business organizations than businesses.

In addition to the 15 voting members, Advisory Committee membership may include nonvoting representatives of state and local government.

Advisory Committee members are entitled to reimbursement for travel expenses as provided by law.

Appropriation: None.

Fiscal Note: Requested on January 13, 2009.

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