S-1637.1

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**SENATE BILL 6034**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Roach, Liias, Benton, and Conway

AN ACT Relating to increasing visibility of and public contracting opportunities for veteran-owned businesses; amending RCW 39.26.090 and 43.60A.200; and adding new sections to chapter 39.26 RCW.

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

**Sec.**  RCW 39.26.090 and 2012 c 224 s 10 are each amended to read as follows:

The director shall:

(1) Establish overall state policies, standards, and procedures regarding the procurement of goods and services by all state agencies;

(2) Develop policies and standards for the use of credit cards or similar methods to make purchases;

(3) Establish procurement processes for information technology goods and services, using technology standards and policies established by the office of the chief information officer under chapter 43.41A RCW;

(4) Enter into contracts or delegate the authority to enter into contracts on behalf of the state to facilitate the purchase, lease, rent, or otherwise acquire all goods and services and equipment needed for the support, maintenance, and use of all state agencies, except as provided in RCW 39.26.100;

(5) Have authority to delegate to agencies authorization to purchase goods and services. The authorization must specify restrictions as to dollar amount or to specific types of goods and services, based on a risk assessment process developed by the department. Acceptance of the purchasing authorization by an agency does not relieve the agency from conformance with this chapter or from policies established by the director. Also, the director may not delegate to a state agency the authorization to purchase goods and services if the agency is not in substantial compliance with overall procurement policies as established by the director;

(6) Develop procurement policies and procedures, such as unbundled contracting and subcontracting, that encourage and facilitate the purchase of goods and services from Washington small businesses, microbusinesses, and minibusinesses, veteran-owned businesses, and minority and women-owned businesses to the maximum extent practicable and consistent with international trade agreement commitments;

(7) Develop and implement an enterprise system for electronic procurement;

(8) Provide for a commodity classification system and provide for the adoption of goods and services commodity standards;

(9) Establish overall state policy for compliance by all agencies regarding:

(a) Food procurement procedures and materials that encourage and facilitate the purchase of Washington grown food by state agencies and institutions to the maximum extent practicable and consistent with international trade agreement commitments; and

(b) Policies requiring all food contracts to include a plan to maximize to the extent practicable and consistent with international trade agreement commitments the availability of Washington grown food purchased through the contract;

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

(11) Develop and enact rules to implement the provisions of this chapter.

**Sec.**  RCW 43.60A.200 and 2010 c 5 s 4 are each amended to read as follows:

(1) State agencies ((~~are encouraged to~~)) must award three percent of all procurement contracts ((~~that are exempt from competitive bidding requirements under RCW 43.19.1906(2)~~)) and any subcontracts awarded therein under chapters 39.04, 39.26, 39.80, and 47.28 RCW to veteran-owned businesses certified by the department under RCW 43.60A.195.

(2) State agencies shall:

(a) Perform outreach to veteran-owned businesses in collaboration with the department to ((~~increase opportunities~~)) achieve the mandate for veteran-owned businesses to sell goods and services to the state under subsection (1) of this section; ((~~and~~))

(b) ((~~Work to match~~)) Provide agency ((~~procurement~~)) contracting records with the department's database of certified veteran‑owned businesses to establish how many procurement contracts are being awarded to those businesses; and

(c) Follow the process established by the director of the department of enterprise services under section 3 of this act relating to the award of procurement contracts under chapters 39.04, 39.26, 39.80, and 47.28 RCW.

NEW SECTION. **Sec.**  A new section is added to chapter 39.26 RCW to read as follows:

(1) The director shall establish a process to facilitate the maximum participation of veteran-owned businesses in procurement contracts under this chapter and chapters 39.04, 39.80, and 47.28 RCW. Such process must provide that, for each procurement contract awarded under this chapter and chapters 39.04, 39.80, and 47.28 RCW, agencies provide:

(a) Specific identification of the benefits or drawbacks to veteran-owned business participation in the procurement, including:

(i) Cost savings;

(ii) Quality improvements;

(iii) Reduction in acquisition cycle times;

(iv) Improved terms and conditions; and

(v) Any other benefits or drawbacks as identified by the director or the agency;

(b) An assessment of any specific impediments to participation by veteran-owned businesses in the procurement; and

(c) If the procurement contract is not awarded to a veteran-owned business, a specific determination of the anticipated benefits of not awarding the procurement contract to a veteran-owned business.

(2)(a) At the end of each fiscal year, each agency must submit a report to the director describing:

(i) The extent of the participation by veteran-owned businesses certified by the department during the fiscal year;

(ii) Whether the agency achieved the mandate in RCW 43.60A.200(1) for awarding procurement contracts under this chapter and chapters 39.04, 39.80, and 47.28 RCW to veteran-owned businesses with respect to the fiscal year;

(iii) Any justifications for a failure to achieve the mandate in RCW 43.60A.200(1) for awarding procurement contracts under this chapter and chapters 39.04, 39.80, and 47.28 RCW to veteran-owned businesses with respect to the fiscal year; and

(iv) A remediation plan with proposed new practices to achieve the mandate in RCW 43.60A.200(1) for awarding procurement contracts under this chapter and chapters 39.04, 39.80, and 47.28 RCW to veteran-owned businesses, including analysis of factors leading to any failure to achieve the mandate.

(b) No later than sixty days after receiving a report from each agency under this subsection, the director shall submit a report to the governor and each house of the legislature that includes a copy of each report submitted under (a) of this subsection and a determination of whether each goal established under subsection (1) of this section was achieved.

(3) For purposes of this section, "veteran-owned business" means a veteran-owned business certified by the department of veterans affairs under RCW 43.60A.195.

NEW SECTION. **Sec.**  A new section is added to chapter 39.26 RCW to read as follows:

(1) Any publicly viewable web site or database maintained by the department listing businesses for competitive solicitation purposes must include:

(a) An application program interface for filtering to veteran-owned businesses certified under chapter 43.60A RCW and minority and women's business enterprises from businesses certified under chapter 39.19 RCW; and

(b) An application program interface for state agencies to certify that the process established by the director under section 3 of this act has been followed.

(2) The truthfulness of agency representations under subsection (1)(b) of this section must be audited annually and are subject to the procedures and methods lawfully prescribed by the state auditor. A copy of every such audit must be delivered within thirty days after the completion thereof to the director, the director of veterans affairs, and the governor.

(3) The department shall allocate information technology resources for the following purposes:

(a) To ensure that a web site or database subject to this section allows agencies to certify that the process established by the director under section 3 of this act has been followed;

(b) To ensure tracking awards of contracts to veteran-owned businesses to determine whether the requirements of RCW 43.60A.200(1) are met; and

(c) To conduct training for the generation of agency reports as required by section 3 of this act.

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