Washington Legislative Update – 2021 Contracts & Procurement

PROCUREMENT CUSTOMER ADVISORY GROUP MARCH 17, 2021

ACKNOWLEDGEMENTS

The following Enterprise Services' team members provided invaluable content, review, and operational expertise:

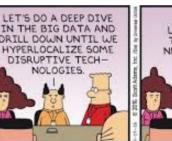
- Shana Barehand Business Diversity & Outreach Manager
- Josh Brown
 Program Specialist, Business Resources
 Division
- Courtney Doyle
 Administrative Assistant, Contracts &
 Procurement Division
- Madison Fiser
 Administrative Assistant, Contracts & Procurement Division
- Ann Larson
 Government Relations Manager

- Rebecca Linville
 Deputy Assistant Director, Contracts & Procurement Division
- Angie McLane Program Specialist, Contracts & Procurement Division
- Elena McGrew
 Statewide Enterprise Procurement Manager
- Jaime Rossman
 Assistant Director, Contracts & Procurement Division
- Christine Warnock,
 Enterprise Procurement Policy Manager

AGENDA

- The 67th Washington State Legislature
 & Contracts and Procurement
- Bills That Impact Statewide Contracts& Procurement
- Bills That Impact Public Works Contracts
- Bills That Impact Contracts
- Bills That Would Have Impacted Contracts, But Are Dead
- Additional Resources







The 67TH Washington State Legislature

CONTRACTS & PROCUREMENT

67th Washington State Legislature

2021

- Long Session
 - 105 Days
 - January 11 April 25, 2019
- Biennial Budgets
 - Operations
 - Capital
 - Transportation

2022

- Short Session
 - 60 Days
 - January 10 March 9, 2022
- Biennial Budget Supplements
 - Operations
 - Capital
 - Transportation

BUDGETS

OPERATIONS

- 2019 2021: HB <u>1093</u> & SB <u>5091</u>
- 2021 2023: HB 1094 & SB 5092

CAPITAL

• 2021 – 2022: HB 1080 & SB 5083

TRANSPORTATION

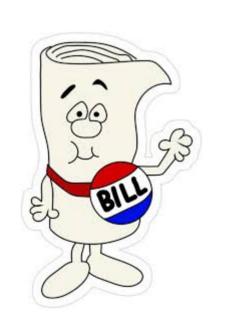
- 2019 2021: HB 1136 & SB 5166
- 2021 2023: <u>HB 1135</u> & <u>SB 5165</u>

ARE WE THERE YET?



- Day 66 of 2021 Legislative Session
 - Past House of Origin Cutoff (March 9)
- Coming Up
 - March 26: Policy Committee Cutoff –
 Opposite House
 - April 2: Fiscal Committee Cutoff –
 Opposite House
 - April 11: Opposite House Cutoff
 - April 25: Last Day for Regular Session

We're Half-Way There



Session	2021
Bills Introduced:	1,054
Passed House:	219
Passed Senate:	202
Passed Both Chambers:	12
Governor Signed:	7

67TH LEGISLATURE (2021 – 2022)

Looking Forward

Contracts & Procurement

Environmental & Social Justice

Policy through Procurement

Contract Modernization Green, Sustainable, & Lifecycle

Goods & Services
Procurement Code

Data Security & Privacy

Labor & Workers Rights

Public Works Procurement Transparency & Leg. Reports

CONTRACTS & PROCUREMENT

Policy Through Procurement

- E2SHB 1050 HFCs & GHG Emissions
- HB 1518 Environmental Standards fro State Purchased Paper
- HB 1489 WIN PPE
- SHB 1204 Transportation Electrification
- SB 5366/HB 1103 Buy Clean & Buy Fair WA Act
- SSB 5116 Procurement & Use of Automated Decision Systems
- SB 5458 Public Contracts & Small Businesses [Adds new section to 39.26]

Procurement Code for Goods & Services

- E2SHB 1050 HFCs & GHG Emissions [39.26.310]
- ESHB 1267 Police Use of Force [39.26.125]
- ESSB 5432 Cybersecurity & Data Sharing in State Government [Adds new section to 39.26]
- SSB 5302 PPE Vendor Database [43.19]
- SB 5458 Public Contracts & Small Businesses [Adds new section to 39.26]

Public Works Procurement

- HB 1391/SB 5356 Prime Contractor Bid Requirements
- HB 1280 GHG Emission Reductions in Public Facilities
- SB 5302 Alternative Public Works
- SHB 1259 OMWBE & Expanding Public Contracting Opportunities
- SSB 5333 Void & Unenforceable Clauses in Public Works Contracts Relating to Delays Caused by Covid-19 Pandemic Emergency Proclamations
- SB 5366/HB 1103 Buy Clean & Buy Fair WA Act
- HB 1308 Expanding Apprenticeship Utilization Requirements

LOOKING FORWARD

Contract Modernization

- E2SHB 1274 Cloud Computing Solutions
- ESSB 5432 Cybersecurity & Data Sharing in State Government
- SHB 1391/ESB 5356 Prime Contractor Bid Requirements
- SB 5032 Reauthorization & Improvements to Alternative Public Works Contracting
- SHB 1502 Procurement & Design of Electric Ferries by Counties
- SB 5146 Fish & Wildlife Commission Indemnification Authority

Data Security & Privacy

- ESSB 5432 Cybersecurity & Data Sharing in State Government
- SSB 5116 Automated Decision Systems

Transparency & Leg. Reporting

- ESSB 5432 Cybersecurity & Data Sharing in State
 Government
- ESHB 1267 Police Use of Force
- HB 1489 WIN PPE
- SSB 5302 PPE Vendor Database
- SSB 5116 Procurement & Use of Automated Decision Systems
- SB 5458 Public Contracts & Small Businesses

ENVIRONMENTAL & SOCIAL JUSTICE

Green, Sustainable, & Lifecycle

- E2SHB 1050 HFCs & GHG Emissions
- HB 1280 GHG Emission Reductions in Public Facilities
- SHB 1502 Procurement & Design of Electric Ferries by Counties
- HB 1518 Environmental Standards for State Purchased Paper
- SHB 1204 Transportation Electrification

Labor & Worker Rights

- SHB 1391/ESB 5356 Prime Contractor Bid Requirements
- E2SHB 1274 Cloud Computing Solutions
- SB 5366/HB 1103 Buy Clean & Buy Fair WA Act
- HB 1308 Expanding Apprenticeship Utilization Requirements

BILLS THAT IMPACT STATEWIDE CONTRACTS & PROCUREMENT

KEY BILLS

- E2SHB 1050HFCs & GHG Emissions
- E2SHB 1274Cloud Computing Solutions
- ESSB 5432Cybersecurity & Data Sharing in State Government
- ESHB 1267Police Use of Force

E2SHB 1050 – HFCs & GHG Emissions

- HB 1050
- Sponsors:
 - Fitzgibbon, et al.
- Status
 - Original Bill (Jan. 11, 2021)
 - Substitute (Jan. 28, 2021)
 - Second Substitute (Feb. 15, 2021)
 - Engrossed Second Substitute (Feb. 15, 2021)

- Amends <u>RCW 39.26.310</u> State Procurement Code for Goods/Services
- Objective:
 - Reduce greenhouse gas emissions from fluorinated gases.
 - Requires Enterprise Services to establish a purchasing and procurement policy that provides a preference, in serving existing equipment, for reclaimed refrigerants that meet minimum quality standards established by the U.S. EPA under 42 USC § 7671g, the National Recycling and Emission Reduction Program. See Bill at §19(3) (amending RCW 39.26.310).

E2SHB 1274 — CLOUD COMPUTING SOLUTIONS

- HB 1274
- Sponsors:
 - Hackney, et al.
- Status
 - Original Bill (Jan. 19, 2021)
 - Substitute Bill (Feb. 15, 2021)
 - Second Substitute (Feb. 22, 2021)
 - Engrossed Second Substitute (Feb. 22, 2021)

- Amends RCW <u>43.105</u> Consolidated Technology Services (WaTech)
- Objective:
 - Original Bill: Require state agencies, unless excepted, to migrate <u>existing</u> on-premises IT applications to third-party commercial cloud computing services and use the same for <u>new</u> IT applications.
 - Engrossed Second Substitute Bill: Enables state agencies to move to the cloud; but does not <u>require</u> it. Creates a Task Force to report on labor impacts pertaining to switch from on-premises to cloud.

ESSB 5432 — Cybersecurity & Data Sharing in State Government

- SB 5432
- Sponsors:
 - Carlyle, et al.
- Status
 - Original Bill (Feb. 8, 2021)
 - Substitute Bill (Feb. 12, 2021)
 - Engrossed Substitute (Feb. 12, 2021)
- Notes:
 - Governor's Office request legislation

- Amends RCW <u>43.105</u> Consolidated Technology Services (WaTech) and <u>RCW</u> <u>39.26</u>
- Objective:
 - Creates the Office of Cybersecurity within CTS.
 - Tasks Office of Cybersecurity, in collaboration with the AGO, to research existing best practices for data governance and data protection, including model terms for data sharing contracts, and submit a report to the Legislature by December 1, 2021.
 - Adds data sharing requirements to RCW 39.26 & RCW 39.34.
 - Exempts cybersecurity reports provided to the Governor from the Public Records Act.

ESHB 1267 – Police Use of Force

- HB 1267
- Sponsors:
 - Entenman, et al.
- Status
 - Original Bill (Jan. 18, 2021)
 - <u>Substitute</u> (Feb. 9, 2021)
 - Engrossed Substitute (Feb. 9, 2021)
- Notes:
 - Governor's Office request legislation.

- Amends RCW 39.26.125
- Objective:
 - Creates Office of Independent Investigations (OII) to investigate potential criminal conduct arising from police use of force
 - Amends Procurement Code to create a competitive procurement exception for OII investigator contracts. See Bill at §313.

BILLS THAT IMPACT PUBLIC WORKS CONTRACTS

BILLS THAT IMPACT PUBLIC WORKS

- SHB 1391 & ESB 5356
 Prime Contractor Bid Requirements
- HB 1280
 GHG Emission Reductions in Public Facilities
- SB 5032
 Reauthorization & Improvements to Alternative Public Works
 Contracting
- SHB 1259 OMWBF

SHB 1391 – PRIME CONTRACTOR BID REQUIREMENTS

- HB 1391 & SB 5356
- Sponsors:
 - Goehner, et al.
- Status
 - Original Bill (Jan. 27, 2021)
 - Substitute (Feb. 22, 2021)
- Notes:
 - Similar bill was enacted in 2020. See LAWS OF 2020, CH. 140 (ESB 5457) (codified at RCW 39.30.060).

- Amends RCW 39.30.060
- Objective:
 - Amend RCW 39.30.060 to conform the statute to the Legislature's intent
 - "and" = conjunctive
 - "or" = disjunctive
 - Adds CPARB report
 - Also exempts Alternative Public Works exemption for Job Order Contracting to include:
 - Design Build; and
 - General Contractor/Construction Manager

HB 1280 – GHG EMISSION REDUCTIONS IN PUBLIC FACILITIES

- HB 1280
- Sponsors:
 - Ramel, et al.
- Status
 - Original Bill (Jan. 19, 2021)

- Amends <u>RCW 39.35</u> Energy Conservation in the Design of Public Facilities
- Objective:
 - Require GHG emission reductions to be considered in the design phase of constructing public facilities.
 - Must consider the use of all-electric energy systems and at least one renewable energy or combined heat and power system.

SB 5032 — REAUTHORIZATION & IMPROVEMENTS TO ALTERNATIVE PUBLIC WORKS CONTRACTING

- SB 5032
- Sponsors:
 - Hasegawa, et al.
- Status
 - Original Bill (Jan. 11, 2021)

- Amends <u>RCW 39.10</u> Alternative Public Works Contracting Procedures
- Objective:
 - Extends Alternative Public Works Contracting procedures until July 1, 2031.
 - Amends the design-build, general contractor/construction manager, and job order contracting procedures.
 - Requires the Capital Projects Advisory Review Board to develop best practices for increasing and sustaining access to contracting opportunities in alternative public works for minority, women, and veteran-owned businesses, and small businesses, and report to the Legislature any recommendations for changes to the statute by June 30, 2022.

SHB 1259 – OMWBE – Public Contracting Opportunities

- HB 1259
- Sponsors:
 - Santos, et al.
- Status
 - Original Bill (Jan. 18, 2021)
 - Substitute (Feb. 22, 2021)
- Notes:
 - A similar bill was introduced in 2019. See <u>HB 1202</u>.

- Amends RCW 39.19
- Objective:
 - Provide OMWBE with increased enforcement authorities to police certification abuse and other violations
 - Annual reports regarding agencies in the lowest 20% for public contracting opportunities with OMWBE-certified firms

BILLS THAT IMPACT CONTRACTS

OTHER BILLS THAT IMPACT CONTRACTS

- SHB 1502
 County Procurement of Electric Ferries
- E2SHB 1365
 Procuring & Supporting Appropriate Computers & Devices for Public School Students and Instructional Staff
- SB 5146
 Fish & Wildlife Commission Indemnification Authority

SHB 1502 – County Procurement of Electric Ferries

- HB 1502
- Sponsors:
 - Wylie, et al.
- Status
 - Original Bill (Feb. 5, 2021)
 - Substitute (Feb. 22, 2021)

- Amends <u>RCW 36.32</u>, County Procurement
- Objective:
 - Create a competitive bidding procedure for county procurement and design of electric ferries
 - Modeled after State Procurement Code
 - <u>39.26.160</u> Bid awards
 - <u>39.26.030</u> Procurement records

E2SHB 1365 — PROCURING COMPUTERS FOR PUBLIC SCHOOL STUDENTS & INSTRUCTIONAL STAFF

- HB 1365
- Sponsors:
 - Gregerson, et al.
- Status
 - Original Bill (Jan. 25, 2021)
 - Substitute Bill (Feb. 15, 2021)
 - Second Substitute (Feb. 22, 2021)
 - Engrossed Second Substitute (Feb. 22, 2021)

- Amends <u>RCW 28A.650</u> Common School, Education Technology
- Objective:
 - Provide 1 'learning device' for 1 student.
 - Requires educational school districts to provide specified technology, consultation, procurement, and training.
 - Enables ESDs to perform technology procurement in consolation and contract with Enterprise Services. See Bill at §3(3)(c).

SB 5146 – FISH & WILDLIFE COMMISSION INDEMNIFICATION AUTHORITY

- **SB** 5146
- Sponsors:
 - Van De Wege
- Status
 - Original Bill (Jan. 12, 2021)

- Amends RCW 77.12.320
- Objective:
 - Provide the Fish and Wildlife
 Commission will authority to enable it
 to indemnify the United States and its
 agencies as a condition to secure
 federal funds for fish, shellfish, and
 wildlife projects

BILLS THAT WOULD HAVE IMPACTED CONTRACTS, BUT ARE DEAD

CATEGORIES

Goods & Services

HB 1489

SSB 5302

HB 1518

SB 5458

SHB 1204

Public Works

SSB 5333

SB 5366

HB 1308

Other

SSB 5116

HB 1489 – Washington Innovates New Personal Protective Equipment Act (WIN PPE)

- HB 1489
- Sponsors:
 - Boehnke, et al.
- Status
 - Original Bill (Feb. 5, 2021)

- Amends <u>RCW 43.330</u> Dep't of Commerce
- Objective:
 - Direct Dep't of Commerce to
 - Maintain a web page listing WA State PPE producers
 - Report to Legislature
 - Percentage of 'pandemic response supplies' that are WA-made
 - Procurement challenges
 - PPE product preferences

SSB 5302 – PPE VENDOR DATABASE

- **SSB** 5302
- Sponsors:
 - Cleveland, Conway, Wilson
- Status
 - Original Bill (Jan. 20, 2021)
 - Substitute(Jan. 29, 2021)
- Notes:
 - Enterprise Services provided testimony.

- Amends <u>RCW 43.19</u> Dep't of Enterprise Services
- Objective:
 - Requires Enterprise Services to establish a Personal Protective Equipment (PPE) vendor/product database & publicfacing website.

HB 1518 — ENVIRONMENTAL STANDARDS FOR STATE PURCHASED PAPER FOR COPIERS/PRINTERS

- HB 1513
- Sponsors:
 - Stonier & Ormsby
- Status
 - Original Bill (Feb. 10, 2021)

- Amends <u>RCW 43.19A</u> Recycled Product Procurement
- Objective:
 - Enable state agencies, as an alternative to 100% recycled content office copier and printer paper, to purchase any paper that is produced in a process that results in at least 40% less carbon dioxide.
 - Require Enterprise Services to identify paper products that are "are produced in a process that yields at least 40 percent less carbon dioxide than standard copy paper."

SB 5458 – Public Contracts & Small Businesses

- **SB** 5458
- Sponsors:
 - Wagoner
- Status
 - Original Bill (Feb. 15, 2021)

- Amends <u>RCW 43.19.725</u>, <u>.727</u> & <u>RCW</u>
 39.26
- Objective:
 - Expand RCW 43.19 to all state/public contracts
 - Report percentage of contracts awarded to small businesses
 - Creates Small Business Procurement
 Preference (add new section to <u>RCW 39.24</u>):
 3% of all public contracts that are exempt
 from competitive bidding requirements
 - Amends <u>RCW 28B.10</u> (HigherEd); <u>RCW 39.04</u> (Public Works); <u>RCW 39.26</u> (Goods/Services); and <u>RCW 39.80</u> (A&E)

SHB 1204 – Transportation Electrification

- HB 1204
- Sponsors:
 - Macri, et al.
- Status
 - Original Bill (Jan. 14, 2021)
 - Substitute (Feb. 22, 2021)
- Notes:
 - Similar bill was introduced last session. See HB 2515.

- Would create a new statute
- Objective:
 - Change the demand curve for electric vehicles.
 - Original Bill Regulatory Approach:
 - Require that all passenger & light-duty vehicles sold or registered in Washington be electric vehicles by 2030.
 - Applies to private and publicly-owned vehicles.
 - Substitute Bill Goal:
 - Establish a goal for the state that publicly and privately owned passenger and light-duty vehicles of model year 2030 and later sold, purchased, or registered in Washington be electric vehicles.

SSB 5333 — VOID & UNENFORCEABLE CLAUSES IN PUBLIC WORKS CONTRACTS RELATING TO DELAYS CAUSED BY COVID-19 PANDEMIC EMERGENCY PROCLAMATIONS

- **SB** 5333
- Sponsors:
 - Holy & Wilson
- Status
 - Original Bill (Jan. 22, 2021)
 - Substitute Bill (Feb. 12, 2021)
- Notes:
 - Enterprise Services provided testimony. WSDOT also testified.

- Amends <u>RCW 4.24.360</u> Void & unenforceable construction contract provisions
- Objective:
 - Declare that, as to public works contracts, any contract provision that purports to waive, release, or extinguish a contractor/subcontractor/supplier's rights to damages or an equitable adjustment rising out of a delay in performance caused by the Covid-19 pandemic emergency proclamations is against public policy and is void & unenforceable.

SB 5366 - BUY CLEAN & BUY FAIR WASHINGTON ACT

- SB 5366 & HB 1103
- Sponsors:
 - Stanford, et al.
- Status
 - Original Bill (Jan. 28, 2021)
- Notes
 - Similar bill was introduced last session. See SSB 2744.

- Creates 'Buy Clean & Buy Fair Washington Act'
- Objective:
 - Beginning July 1, 2021, requires 'awarding authorities' (including Enterprise Services) to require their contractors on 'covered projects' to submit certain specified data, including an Environmental Product Declaration (EPD) and labor rights data for each 'covered product' used.

HB 1308 — EXPANDING APPRENTICESHIP UTILIZATION REQUIREMENTS

- HB 1308
- Sponsors:
 - Riccelli, et al.
- Status
 - <u>Original Bill</u> (Jan. 19, 2021)

- Amends RCW 39.04.320
- Objective:
 - Requires Municipal public works contracts over \$1 million to include 15% apprenticeship utilization requirement
 - Requires subcontractors, on public works contracts over \$200,000 or more, to include 15% apprenticeship utilization requirement
 - Requires municipalities to monitor and report their apprentice utilization hours by contractor

SSB 5116 — PROCUREMENT & USE OF AUTOMATED DECISION SYSTEMS

- SSB 5116
- Sponsors:
 - Hasegawa, et al.
- Status
 - Original Bill (Jan. 8, 2021)
 - Substitute Bill (Feb. 8, 2021)
- Notes:
 - Similar bill was introduced last session. See SHB 1655 & SB 5527

- Amends <u>RCW 49.60</u> Discrimination & <u>RCW 43.386.901</u> Facial Recognition
- Objective:
 - Requires the Washington state CIO to adopt rules regarding the development, procurement, and use of automated decision systems by a public agency.
 - Requires public agencies to develop an algorithmic accountability report that meet certain requirements on the use of automated decision systems.
 - Expands Washington's Law Against Discrimination (RCW 49.60) to prohibit discrimination by automated decision systems.
 - Delays effective date of last year's Facial Recognition Act (RCW 43.386) to July 1, 2026.

Additional Resources

ENTERPRISE SERVICES — CONTRACTS & PROCUREMENT

- Contracts & Procurement
 Enterprise Services
 - Current Contracts
 - Enterprise ProcurementPolicies
 - Contracts & ProcurementTraining



Contracts & Procurement WA Dep't of Enterprise Services PO Box 41408 Olympia, WA 98504-1408 360-407-2210

USEFUL BILL INFO

- Bill Numbers
 - House Bills: 1000 3999
 - Senate Bills: 5000 7999
- Abbreviations
 - HB: House Bill
 - SB: Senate Bill
 - SHB: Substitute House Bill
 (SSB Substitute Senate Bill)
 - 2SSB: Second Substitute Senate Bill
 (2SHB Second Substitute House Bill)
 - EHB: Engrossed House Bill



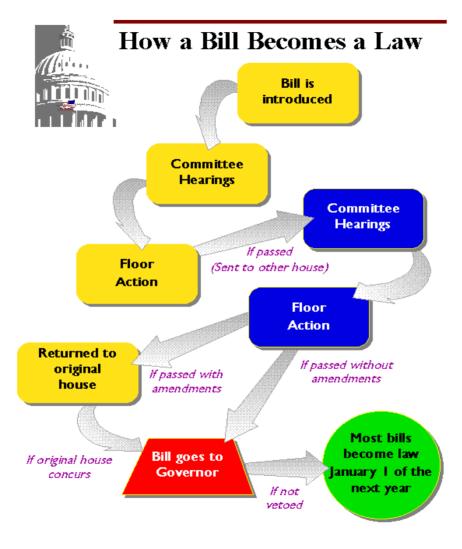
USEFUL BILL INFO, CONT.

- Bill: A proposed law presented to the Legislature for consideration
- Pre-filed Bill: A bill which is submitted for introduction/first reading before the legislative session begins (pre-filed bills are introduced on the first day of the session)
- Companion Bill: A bill introduced with the same language in both the House and the Senate
- Substitute Bill: A version of a bill offered by a committee in the first chamber. If adopted, the substitute replaces the original bill or resolution

- Striker or Striking Amendment:
 Amendment removing everything after the title and inserting a whole new bill
- Engrossed Bill: A bill which reflects all amendments made in the house of its origin
- Enrolled Bill: A bill passed by both houses, which incorporates all amendments, and to which has been attached a certificate of enrollment indicating the date passed, votes cast on the bill, and the certifying officers' signatures. It is presented to the Governor for signature
- Act: A bill adopted by the Legislature

How a BILL BECOMES A LAW

- A bill may be introduced in either the Senate or House of Representatives by a member.
- The bill is referred to a committee for a hearing. The committee studies the bill and may hold public hearings on it. It can then pass, reject, or take no action on the bill.
- The committee report on the passed bill is read in open session of the House or Senate, and the bill is then referred to the Rules Committee.
- The Rules Committee can either place the bill on the second reading calendar for debate before the entire body, or take no action.
- At the second reading, a bill is subject to debate and amendment before being placed on the third reading calendar for final passage.
- After passing one house, the bill goes through the same procedure in the other house.
- If amendments are made in the other house, the first house must approve the changes.
- When the bill is accepted in both houses, it is signed by the respective leaders and sent to the governor.
- The governor signs the bill into law or may veto all or part of it. If the governor fails to act on the bill, it may become law without a signature.



Websites – Legislation Tracking

- LegiScan Washington State
- Washington State Legislature Bill
 Tracking
- National Conference of State
 Legislatures Bill Tracking &
 Subscription Services







Websites – Legislative Process

- <u>Legislative Process Resources</u>
 Washington State Legislature
- <u>Legislative Process & Terms</u>
 University of Washington, Office of Planning & Budgeting
- Televised Public Hearings, Legislative Review, & Inside Olympia
 TVW www.tvw.org

Websites – Budget Information

- <u>Budget Information</u> Washington State Fiscal Information
 Legislative Evaluation & Accountability Program LEAP Committee & Office of Financial Management (OFM)
- A Citizen's Guide to the Washington State
 Operating Budget (2021) Senate Ways &
 Means Committee
- A Citizen's Guide to the Washington State
 Capital Budget (2021) Senate Ways & Means
 Committee





THANK YOU



Greg Tolbert

Legal Services Manager

Greg.Tolbert@des.wa.gov