

Multiple Agency Fiscal Note Summary

Bill Number: 5268 S SB	Title: Public works procurement
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Minority and Women's Business Enterprises	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.2	1,466,536	1,466,536	1,466,536	.2	948,688	948,688	948,688	.2	1,002,568	1,002,568	1,002,568
Office of Minority and Women's Business Enterprises	4.0	1,069,316	1,069,316	1,069,316	4.0	909,316	909,316	909,316	4.0	909,316	909,316	909,316
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	Fiscal note not available											
Department of Veterans Affairs	1.0	273,000	273,000	273,000	1.0	270,000	270,000	270,000	1.0	270,000	270,000	270,000
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Eastern Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Central Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Western Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	.2	0	0	22,000	.2	0	0	22,000	.2	0	0	22,000
State Parks and Recreation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Fish and Wildlife	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Natural Resources	.0	0	0	0	.0	0	0	0	.0	0	0	0
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	5.4	2,808,852	2,808,852	2,830,852	5.4	2,128,004	2,128,004	2,150,004	5.4	2,181,884	2,181,884	2,203,884

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Minority and Women's Business Enterprises	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	Fiscal note not available								
Department of Veterans Affairs	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM

Phone:
(360) 584-2207

Date Published:
Preliminary 2/13/2023

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
General Fund-State 001-1	732,744	733,792	1,466,536	948,688	1,002,568
Total \$	732,744	733,792	1,466,536	948,688	1,002,568

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/06/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/06/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/06/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Differences between the substitute bill and the original bill:

This amendment would not change the department's assumptions or expected cost impacts.

- Clarifies small, minority, women and veteran-owned businesses throughout the proposed legislation.
- Section 14 clarifies the Municipal Research and Services Center, rather than program.

Summary of the substitute bill:

Section 14(2) directs the Department of Commerce (department), through the Municipal Research and Services Center (MRSC), to develop a small works roster by June 30, 2024. the department must provide funding to MRSC as appropriated to form and operate the small works roster.

Section 14(3) directs the department to provide funding to MRSC to maintain and publicize a small works roster and work with MRSC to notify state and local governments authorized to use small works rosters of the statewide roster authority and to provide guidance on how to use it. The guidance may take the form of a manual provided to local governments.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 14 directs the department, through the Municipal Research and Services Center (MRSC), to develop a statewide small works roster by June 24, 2024. The department is further directed to provide funding for MRSC to maintain and publicize the small works roster, to work with MRSC to notify state and local governments about the statewide roster, and to provide guidance on how to use the authority.

Assumptions:

- The Department of Enterprise Services (DES) estimates that a subcommittee with participants from the department and other agencies will establish the rules necessary to meet the requirements established by the bill. DES estimates the subcommittee will meet 20 times for two hours, for an annual total of 40 hours.
- The department manages pass-through funding for MRSC and assumes that the legislation would result in an additional contract with MRSC. The department assumes the work to participate on the subcommittee led by DES will be performed by existing staff.
- During fiscal years 2024 and 2025, MRSC estimates it would hire two additional full-time staff to convert the Convert Small Works Roster from “fee-based” to “pass-through based.” Two additional full-time staff would be required to manage the expansion of the program statewide. Upgrades and modifications to software programming would be done through contracted services. Both new and existing MRSC staff would conduct stakeholder involvement meetings, conduct trainings, analyze data, and respond to requests from stakeholders.

- During fiscal years 2026 through 2029, MRSC estimates that four full-time staff would be required to manage the statewide program. Both new and existing MRSC staff would respond to requests from stakeholders, lead stakeholder involvement work, and participate in efforts for continuous improvement.

To manage the contract, participate in the workgroup, coordinate with MRSC and other key stakeholders, the department estimates the following will be needed:

0.20 FTE Commerce Specialist 4 (416 hours) in FY24 and FY25 and 0.15 FTE (312 hours) in FY26 through FY29 for the MRSC Contract Manager to manage the contract and assist with the coordination between MRSC, state agencies, local governments, and businesses, including to manage the contract and assist with continued stakeholder involvement activities

Salary and Benefits:

FY24: \$23,195

FY25: \$23,983

FY26-FY29: \$17,987 per fiscal year

Professional Service Contracts:

Contract with MRSC:

FY24-FY25: \$700,000 per fiscal year to convert the small works roster and manage the statewide program

FY26-FY27: \$449,000 per fiscal year for ongoing management of the statewide program

FY28-FY29: \$475,940 per fiscal year for ongoing management of the statewide program

Goods and Services:

FY24: \$1,918

FY25: \$1,919

FY26-FY29: \$1,439 per fiscal year

Intra-Agency Reimbursements:

FY24: \$7,631

FY25: \$7,890

FY26-FY29: \$5,918 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, central services charges and agency administration. Intra-agency-agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Cost:

FY24: \$732,744

FY25: \$733,792

FY26-FY27: \$474,344 per fiscal year

FY28-FY29: \$501,284 per fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	732,744	733,792	1,466,536	948,688	1,002,568
Total \$			732,744	733,792	1,466,536	948,688	1,002,568

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	17,242	17,760	35,002	26,640	26,640
B-Employee Benefits	5,953	6,223	12,176	9,334	9,334
C-Professional Service Contracts	700,000	700,000	1,400,000	898,000	951,880
E-Goods and Other Services	1,918	1,919	3,837	2,878	2,878
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	7,631	7,890	15,521	11,836	11,836
9-					
Total \$	732,744	733,792	1,466,536	948,688	1,002,568

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.0	0.0	0.0	0.0	0.0
Commerce Specialist 4	86,212	0.2	0.2	0.2	0.2	0.2
Total FTEs		0.2	0.2	0.2	0.2	0.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 147-Office of Minority and Women's Business Enterprises
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.0	4.0	4.0	4.0	4.0
Account					
General Fund-State 001-1	539,658	529,658	1,069,316	909,316	909,316
Total \$	539,658	529,658	1,069,316	909,316	909,316

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 02/07/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 02/07/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/08/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill will create a new state certification program for small businesses provided by the Office of Minority and Women's Business Enterprises (OMWBE). The costs reported for this fiscal note will include what the agency would need to implement a new small business certification program.

Section 2(7) adds the new definition for small business, and Section 3(7) shows that the agency will need to work on rulemaking to develop a state small business program, and maintenance of a central minority and women's business enterprise certification program and a public works small business certification program. Therefore, the fiscal note assumption is that four additional staff will be needed for the implementation of this new program. OMWBE foresees the need for an FTE to set direction for the new unit and provide performance management to ensure fair and consistent processing of applications. This FTE will also be working on rulemaking for the certification criteria. Two FTEs will be needed to process complex certification applications in accordance with rules and will be conducting outreach to share information about certification and will provide technical assistance to businesses. One more FTE will be needed for reviewing completeness of certification applications and will be responsible for assigning applications to certification analysts. Furthermore, this FTE will manage the renewal process, and customer service calls as well as providing direct support to businesses seeking certification. The agency requests funding for the IT costs related to implementing a new certification program, as well as policy development and research, and maintenance funding for the annual fees associated with the new certification application from our IT vendor.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

One (1) Management Analyst 5 – Day to day supervision of two certification analysts. Sets direction for the unit, manages performance, and ensures fair and consistent processing of applications. Establishes rules for certification criteria.

Salary (Object A): \$91,524/year

Benefits (Object B): \$30,491/year

Two (2) Management Analyst 4s – Processes complex certification applications in accordance with rules and conducts outreach to share information about certification and the benefits. Provides technical assistance to businesses seeking certification.

Salary (Object A): \$82,896/year x 2 employees = \$165,792/year

Benefits (Object B): \$28,934/year x 2 employees = \$ 57,868/year

One (1) Customer Service Specialist 2 – Intakes certification applications, reviews for completeness, and assigns applications to certification analysts. Manages the renewal process including sending renewal notices and reminders and removing businesses that do not respond from the directory. Inputs required data into various databases and triages customer service calls as well as provides direct support to businesses seeking certification.

Salary (Object A): \$46,980/year

Benefits (Object B): \$22,455/year

Implementation costs - This includes IT costs to create a new application, PM and Business Lead to manage the IT

implementation, rules coordination to establish a new certification program, and policy development and research.
 (Object C): \$150,000

Maintenance costs - This includes annual fees associated with a new certification application from our IT vendor.
 (Object E): \$10,000/year

Additional Costs:

- Employee related goods and services (Object E): \$6,137/year x 4 employees: \$24,548/year
 *Cell phone service, internet, desktop support, supplies, software licenses, and training
- Travel (Object G): \$1,250/year x 4 employees = \$5,000/year
- Equipment (cell phones and laptops) (Object J): \$2,500/employee (in FY24) x 4 employees = \$10,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	539,658	529,658	1,069,316	909,316	909,316
Total \$			539,658	529,658	1,069,316	909,316	909,316

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.0	4.0	4.0	4.0	4.0
A-Salaries and Wages	304,296	304,296	608,592	608,592	608,592
B-Employee Benefits	110,814	110,814	221,628	221,628	221,628
C-Professional Service Contracts	75,000	75,000	150,000		
E-Goods and Other Services	34,548	34,548	69,096	69,096	69,096
G-Travel	5,000	5,000	10,000	10,000	10,000
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	539,658	529,658	1,069,316	909,316	909,316

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Customer Service Specialist 2	46,980	1.0	1.0	1.0	1.0	1.0
Management Analyst 4	82,896	2.0	2.0	2.0	2.0	2.0
Management Analyst 5	91,524	1.0	1.0	1.0	1.0	1.0
Total FTEs		4.0	4.0	4.0	4.0	4.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Rules will need to be added to Title 326 WAC to establish a new small business certification program.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 179-Department of Enterprise Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Becky Guyer	Phone: (360) 407-9254	Date: 02/07/2023
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 02/07/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This substitute bill rewords "women, minority, and veteran-owned business and small business entities" to "small, minority, women, and veteran-owned businesses".

Sec. 2 amends RCW 39.04.010 and adds definitions for "Authorized local government", "small business" and "state agency."

Sec. 3 amends RCW 39.19.030 adding the public works small business certification program.

Sec. 4 amends RCW 39.10.200 to allow for alternative public works contracting to provide increased access to contracting opportunities for small, minority, women, and veteran-owned businesses.

Sec. 5 removes the term disadvantaged business enterprise.

Sec. 6-13 Replaces the term disadvantaged business enterprises with "small, minority, women, and veteran-owned businesses".

Sec. 14 is a new section that allows state agencies and "authorized local governments" to use a statewide small works roster through the municipal research and services center (MRSC) or to create their own for specialty work. The MRSC and other agencies must include the procedures adopted by DES in section 14 (4).

Sec. 15 is a new section that describes the process for awarding contracts through the small works roster. Section 15(4) requires DES to develop templates and bid invitations, for use by state agencies, authorized local governments and contractors. These tools must be available on the DES public facing webpage. The development of these templates can be done through routine business processes, therefore, no fiscal impact.

Sec. 16 Requires the Capital Project Advisory Review Board (CPARB) to review cost escalation data, industry publications and roster utilization every five years and make recommendations to the appropriate committees of the legislature on adjustments to contracting thresholds described in section 15. The first review should occur in 2025. This works can be completed within the routine business processes of CPARB, therefore no fiscal impact.

Sec. 28 is updated to remove outdated reporting requirements and other language cleanup.

Sec. 29 amends RCW 39.12.040 increasing the contracting threshold authorized in this section from \$2,500 or less to \$5,000 or less.

Sec. 37 is a new section that repeals 39.04.155 and 39.04.156.

Sec. 38 is a new section that adds sections 14 through 16 to RCW 39.04.

Sec. 39 Act takes effect July 1, 2024, except for sections 31 and 35.

Sec. 40 is a new section that states sections 31 and 35 take effect July 1, 2023.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 305-Department of Veterans Affairs
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	138,000	135,000	273,000	270,000	270,000
Total \$	138,000	135,000	273,000	270,000	270,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Troy Cerny	Phone: 3607252661	Date: 02/08/2023
Agency Approval: Troy Cerny	Phone: 3607252661	Date: 02/08/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/08/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

No change in fiscal impact from the previous version.

The substitute bill more explicitly delineates the inclusion of small businesses as a target group in the bill, along with women, minority, and veteran-owned businesses.

Section 4 generates fiscal impact to Washington State Department of Veterans Affairs (WDVA) by requiring the agency to maintain an active current registry of certified Veteran-owned businesses (VOB).

Sections 10, 12, and 13 generate fiscal impact to WDVA by requiring the agency to review and evaluate prime contractor “inclusion plans”.

Sections 14 and 15 generate fiscal impact to WDVA by requiring the agency to add and maintain a small business sub-designation within WDVA’s VOB Certification program.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 4 calls for supplemental alternative public works contracting procedures to “...advance contracting opportunities for women, minority, and veteran-owned businesses and small business entities...” The bill specifically states, “It is also the intent of the legislature that inclusion plans required by this chapter may include, with public body approval and to the extent permitted by law, features to improve access to opportunities, including outreach and mentorship, capital including, modified payment provisions, training, and other features intended to maximize the participation and success of women, minority, and veteran-owned businesses and small business entities.”

WDVA Impact Analysis: Most agency contracting and procurement offices are not staffed with subject matter experts (SMEs) on veteran-owned business (VOB) outreach and inclusion strategies. For most agencies, development of structured ‘inclusion plans’, will require consultation with an external SME. Furthermore, achievement of agency VOB contracting and procurement targets requires access to current accurate listings of certified VOBs. WDVA received an appropriation for a VOB Program Specialist. However, this funding expires on June 30, 2023. WDVA does not have the capacity to absorb the work to assist for agencies to achieve the bill’s legislative requirements for an active current registry of certified VOB’s, a certified small-business VOB sub-designation, and support to other agencies for developing access strategies and implementing inclusion and utilization plans.

Section 10 requires agencies to advertise, screen, and select contractors based on “proposer's past performance in utilization of business entities certified with the office of minority and women's business enterprises, including small businesses and business entities certified with the department of veterans affairs and the inclusion plan for business entities certified with the office of minority and women's business enterprises, including small businesses and business entities certified with the department of veterans affairs as subconsultants, subcontractors, and suppliers for the project, to the extent permitted by law.”

Section 12 further requires that “Bid packages must be prepared to reduce barriers for and increase participation by business entities certified with the office of minority and women's business enterprises, including small businesses and business entities certified with the department of veterans affairs.”

Section 13 requires that solicitations for proposals must include “The firm's plan for inclusion of business entities certified with the office of minority and women's business enterprises, including small businesses and business entities certified with the department of veterans affairs, to the extent permitted by law...”

WDVA Impact Analysis (Sections 10, 12, and 13): As noted earlier, most agency contracting and procurement offices are not staffed with subject matter experts (SMEs) on veteran-owned businesses (VOBs). For most agencies, WDVA assumes that the development of reviewing and evaluating prime contractor ‘inclusion plans’, will require consultation with WDVA. Furthermore, prime contractors will also require access to current accurate listings of certified VOBs. WDVA would require continuing funding of its VOB Program Specialist to accomplish this as our agency does not have the capacity to absorb the work.

Section 14 authorizes agencies to utilize a small works roster for different specialties, categories of anticipated work, or geographic areas. It also directs the Department of Commerce through the municipal research and services program, to develop a statewide small works roster. Contractors desiring to be placed on the roster are required “...to indicate if they meet the definition of women and minority-owned business as described in RCW 39.19.030(7)(b), veteran-owned business as defined in RCW 43.60A.010, or small business as defined in RCW 39.04.010...”

Section 15 provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property...” and states, “It is the intent of the legislature to increase utilization of small, minority, women, and veteran-owned businesses. Each state agency and authorized local government shall establish a women, minority, and veteran-owned business and small business utilization plan.”

WDVA Impact Analysis: Creation of agency ‘small works roster’ requires participating contractors to indicate if they are a certified Veteran-Owned Business (VOB). This will require a small business sub-designation within WDVA’s VOB Certification program. WDVA assumes \$5000/year for event registration costs (business fairs registrations and sponsorships, etc.), \$2000/year for travel to the events, \$7000 the first year and \$4000 each following year for printing costs (certification decals, marketing materials, etc.), and \$500/year for advertising. Additionally, without continued funding of the VOB Program Specialist position, WDVA will lack capacity to develop and implement further modifications to the VOB certification program that we anticipate from this bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	138,000	135,000	273,000	270,000	270,000
Total \$			138,000	135,000	273,000	270,000	270,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	75,000	75,000	150,000	150,000	150,000
B-Employee Benefits	27,000	27,000	54,000	54,000	54,000
C-Professional Service Contracts					
E-Goods and Other Services	14,000	11,000	25,000	22,000	22,000
G-Travel	4,000	4,000	8,000	8,000	8,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	18,000	18,000	36,000	36,000	36,000
9-					
Total \$	138,000	135,000	273,000	270,000	270,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
107K: Program Specialist 4	75,120	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Veterans Services (020)	138,000	135,000	273,000	270,000	270,000
Total \$	138,000	135,000	273,000	270,000	270,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 360-University of Washington
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Jed Bradley	Phone: 2066164684	Date: 02/06/2023
Agency Approval: Jed Bradley	Phone: 2066164684	Date: 02/06/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Substitute Senate Bill 5268 (*original companion of HB 1306) pertains to public works procurement and small works roster requirements. Compared to the original bill, the substitute makes the following changes:

- Creates consistency across references to “small, minority, women, and veteran-owned businesses.”
- Repeals requirements of the department of labor and industries which are associated with stricken language in section 28.
- Corrects references to the municipal research and services center.

These changes do not materially affect the impact of this bill, so the fiscal note is unchanged from the previous version.

SB 5268 (HB 1306) pertains to public works procurement and small works roster requirements.

SECTION 1 declares the intent of the legislature to increase equity and efficiencies in public works procurement and summarizes interventions including best practices in inclusion plans, updating the small and limited works roster, and to encourage greater participation and utilization by women, minority, and veteran-owned businesses and small business entities, and protecting the rights of workers.

SECTION 2 modifies definitions including “state agency,” which includes any institution of higher education defined in RCW 28B.10.016.

SECTION 3 adds the public works small business certification program to the work of the Office of Minority and Women's Business Enterprises.

SECTION 4 adds intent to include features to improve access to opportunities in inclusion plans, including outreach and mentorship, modified payment provisions, training, and others.

SECTION 5 through SECTION 13 modify language to update “disadvantaged business enterprise” to “small and women, minority, and or veteran-owned businesses.”

SECTION 14 authorizes state agencies to utilize a statewide small works roster or create and maintain one or more rosters for different specialties or categories of work. Any roster shall consist of all responsible contractors who have requested to be on the list if licensed or registered to perform such work. State agencies must require contractors desiring to be placed on a roster to indicate if they meet the definitions of women and minority-owned businesses, veteran-owned businesses, or small businesses and keep any records of licenses, certifications, and other matters on file as a condition of being placed on the roster. At least once a year, state agencies would be required to publish in a newspaper and provide the Office of Minority and Women’s Business Enterprises directory a notice of the existence of the roster and solicit contractors for the roster. Responsible contractors must be added to rosters if they submit requests and records, and must agree and be able to receive notifications and other communications via email. State agencies may not break a project into smaller units or phases to avoid maximum dollar amounts. The Department of Commerce is required to develop a statewide small works roster. Finally, a state agency establishing a small works roster shall adopt rules implementing this section.

SECTION 15 provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property. Provisions may be used in lieu of other procedures to award contracts for work with an estimated cost of \$350,000 or less excluding sales tax. State agencies must establish procedures including documenting good faith efforts to implement the section. Invitations for bids must include an estimate for the scope of work including nature, materials, and equipment, but detailed plans and specifications are not required.

For small works with an estimated cost of less than \$350,000, state agencies may contract by securing written or electronic quotations to assure that a competitive price is established and to award contracts to the responsible bidder with the lowest bid. Agencies shall invite bids by notifying all contractors on an applicable roster in the applicable geographic area.

For small works projects under \$150,000, agencies are encouraged to and may direct contract with small businesses before direct contracting with other contractors on a roster, without a competitive process, under certain conditions. Those include if there are six or more contractors meeting the definition of small business the agency must contract with one of them; if there are five or fewer contractors that meet the definition of small business, the agency may contract with any contractor on the roster.

Each state agency shall establish a women, minority, and veteran-owned business and small business utilization plan, and may not favor certain contractors on a roster by repeatedly awarding contracts without attempts to direct contract with other contractors. If an agency does not use these methods, it may not use direct contracting and must invite bids by electronically notifying all contractors on an applicable roster.

For small works projects under \$5,000 there is no requirement for retainage or performance bonds. Small works projects over \$5,000 shall be subject to both bond requirements. Awarding state agencies may reduce or waive retainage requirements and thereby assume liability for contractor's non-payment of wages, suppliers, and other items, but does not affect the rights of an agency to recover against a contractor for payments made on their behalf.

After an award is made, bid quotations shall be recorded, publicly available, and available by request. Annually, a state agency or local government must publish a list of small works contracts awarded and contractors contacted for direct negotiation.

SECTION 16 requires that beginning in 2025 and every five years thereafter, the capital projects advisory review board must review construction cost escalation data and other resources and make recommendations to adjustments to contracting thresholds in Section 15.

SECTIONS 17 through 28, SECTION 30, and SECTIONS 32 through 34 all modify current language to change other statutes to conform with Sections 14 through 16 rather than provisions in RCW 39.04 (which are repealed in Section 37) and make minor updates to language.

SECTION 29 increases the threshold for the limited public works process from \$2,500 to \$5,000 (conforming with Section 15)

SECTION 31 and SECTION 35 remove a reference to a \$300,000 threshold in RCW 53.08 (given the increase to \$350,000 in other sections).

SECTION 36 sets a repeal date of portions of RCW 39.10 (and changes in this act) effective June 30, 2032

SECTION 37 repeals current small works roster contract procedures in RCW 39.04 (which are effectively replaced by Sections 14 through 16 above).

SECTION 39 makes the majority of these changes effective July 1, 2024 except Sections 31 and 35, which are effective July 1, 2023.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Sections 14 through 16 replace the current small works roster requirements in RCW 39.04. The University uses a roster under the current requirements for some small works roster projects. We do not anticipate that the new requirements and thresholds in these sections will have a material impact on the cost to engage with the small works roster process.

While the process outlined in Sections 14 through 16 could make it easier to direct contract rather than engage in a bidding process for certain projects, we don't anticipate any significant additional costs or cost savings given the alternative has administrative burden to maintain lists and certifications, plus the work to contract.

The requirement in Section 15 to create a small business utilization plan would require UW Facilities to develop a policy for using the roster for direct contracting to small firms. There would be a small administrative burden (likely under \$5,000 per year of staff time across several positions) to create and maintain the policy. However, this cost would be absorbed into existing resources as it aligns with work already assigned, so we have marked this bill as "no impact."

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 365-Washington State University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Anne-Lise Brooks	Phone: 509-335-8815	Date: 02/07/2023
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 02/07/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/08/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

5268 S SB makes changes to the small works roster in order to increase equity and efficiencies in public works procurement.

Washington State University does not expect any fiscal impact due to these changes.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 370-Eastern Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Keith Tyler	Phone: 509 359-2480	Date: 02/07/2023
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 02/07/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Proposed SB 5268 modifies small works roster requirements for public works procurement to increase equities and efficiency, focusing on small, minority, women, and veteran-owned businesses.

Based on the Lead Agency assumptions we assume that EWU will not be a participant in the committee, therefore this bill has no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 375-Central Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 02/07/2023
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 02/07/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Central Washington University anticipates the largest impacts of change will be a result of sections 14 & 15 in regard to the provisions of small works. CWU will need to implement the new language in policies, procedures, websites, and other systems of notifications to contractors. In addition, it would be necessary to provide staff training on the updates of this legislation to ensure compliance. In addition, coordination would be required to receive training from the Department of Commerce of the use of the statewide small works roster, as well as periodic quality assurance evaluation.

CWU anticipates that efforts related to the above implementation requirements would be allocated among existing resources and would not pose an additional burden to the university.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 376-The Evergreen State College
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 02/06/2023
Agency Approval: Dane Apalategui	Phone: 360-867-6517	Date: 02/06/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

S SB 5268 makes no major revisions to the requirements that were listed in the original bill. We continue to see this a no fiscal impact bill for the Evergreen State College as only minimal changes to our bid proposal process would be required.

SB 5268 relates to equity and efficiencies in public works procurement and declares an emergency, making the revisions to the act effective July 1, 2023.

Section 2 (1) adds the definition of “authorized local government” to RCW 39.04.010.

Section 2 (7) adds the definition of “small business” as one meeting the criteria for size, ownership, control and personal net worth adopted by the office of minority and women’s business enterprises in accordance with RCW 39.19.030

Section 2 (9) defines state agencies for this purpose as including the institutions of higher education and any other agency authorized to engage in construction, building, renovation, remodeling, alteration, improvement or repair activities.

Section 3 (7) adds “a small business certification program” to the rules adopted under RCW 34.05.

Section 7 (1) replaces “disadvantaged business enterprises” with “small and women, minority, or veteran-owned businesses.”

Section 9 (1) (d) (i) replaces “disadvantaged business enterprises” with “business entities certified with the office of minority and women’s business enterprises, including small businesses and business entities certified with the Department of Veterans Affairs.”

Section 10 (3) (f) replaces “disadvantaged business enterprises and small business entities” with “business entities certified with the office of minority and women’s business enterprises, including small businesses and business entities certified with the Department of Veterans Affairs.”

Section 12 (3) e replaces “disadvantaged business enterprises and small business entities” with “business entities certified with the office of minority and women’s business enterprises, including small businesses and business entities certified with the Department of Veterans Affairs.”

Section 13 (2) (d) replaces “disadvantaged business enterprises and small business entities” with “business entities certified with the office of minority and women’s business enterprises, including small businesses and business entities certified with the Department of Veterans Affairs.”

Section 29 (2) regarding prevailing wages, replaces “\$2,500” with “\$5,000 or less” as allowed under section 15.

Section 29 (2) e states that nothing in this subsection may be interpreted to allow an awarding agency to subdivide any public works project of more than \$5,000 for the purpose of circumventing the procedures required by subsection 1 of this section.

Section 35 states that all contract projects, the estimated cost of which is less than the amount authorized, may be awarded using the small works roster process under sections 14 through 16.

Section 40 states that sections 31 through 35 of this act will go into effect on July 1, 2023.

Evergreen does not currently have an alternate bid proposal process. We feel the cost to change our bid proposal process would be minimal and therefore expect no fiscal impact from this bill.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Timothy Davenport	Phone: 3606503377	Date: 02/03/2023
Agency Approval: Faye Gallant	Phone: 3606504762	Date: 02/03/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

There is no fiscal impact to WWU as our procurement systems and procedures are already in place to accommodate this legislation.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

There is no fiscal impact to WWU as our procurement systems and procedures are already in place to accommodate this legislation.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
Motor Vehicle Account-State 108 -1	11,000	11,000	22,000	22,000	22,000
Total \$	11,000	11,000	22,000	22,000	22,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Jim Cuthbertson	Phone: 360-705-7825	Date: 02/03/2023
Agency Approval: Jon Deffenbacher	Phone: 360-7057829	Date: 02/03/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/06/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached WSDOT fiscal note.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached WSDOT fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	11,000	11,000	22,000	22,000	22,000
Total \$			11,000	11,000	22,000	22,000	22,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	8,000	8,000	16,000	16,000	16,000
B-Employee Benefits	3,000	3,000	6,000	6,000	6,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	11,000	11,000	22,000	22,000	22,000

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Contracts Specialist I	59,688	0.1	0.1	0.1	0.1	0.1
Transportation Technical Engineer	110,760	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.2	0.2	0.2	0.2	0.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 SSB	Title: Public Works Procurement	Agency: 405-Department of Transportation
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Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- No Fiscal Impact (Explain in section II. A)
If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)

- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- Capital budget impact, **complete Part IV**
- Requires new rule making, **complete Part V**
- Revised

Dollars in Thousands

	2023-25 Biennium		2025-27 Biennium		202-297 Biennium	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Expenditures						
108-1-MOTOR VEHICLE	\$11.0	\$11.0	\$11.0	\$11.0	\$11.0	\$11.0
Total Expenditures	\$11.0	\$11.0	\$11.0	\$11.0	\$11.0	\$11.0
Biennial Totals	\$22.0		\$22.0		\$22.0	
FTEs	Salary					
Transportation Technical Engineer	\$110,760	0.1	0.1	0.1	0.1	0.1
Contracts Specialist 1	\$59,688	0.1	0.1	0.1	0.1	0.1
Annual Average		0.1	0.1	0.1	0.1	0.1
Objects of Expenditure						
A - SALARIES AND WAGES	\$8.0	\$8.0	\$8.0	\$8.0	\$8.0	\$8.0
B - EMPLOYEE BENEFITS	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0	\$3.0
Expenditures by Program						
PROGRAM I-CAP						
PROGRAM P-CAP						

The cash receipts and expenditure estimates on this fiscal template represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Agency Assumptions

N/A

Agency Contacts:

Preparer: Jim Cuthbertson	Phone: 360-870-1108	Date: 02/03/2023
Approval: Jon Deffenbacher	Phone: 360-705-7829	Date: 02/03/2023
Budget Manager: Doug Clouse	Phone: 360-705-7535	Date: 02/03/2023

Individual State Agency Fiscal Note

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact

Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency. List the sections that have fiscal impact to WSDOT only. E.g., "Section 3 directs the Department to ..." No summarizing, no interpreting, and save any background context for the revenue and expenditure parts.

Changes in the substitute Senate bill did not change the department's fiscal impact assumptions from the original bill.

Section 15 provides uniform small works roster provisions to award contracts for construction. This section will require WSDOT to make all bid quotations publicly available and annually publish a list of small works contracts awarded and contractors contacted for direct negotiation pursuant to RCW 39.04.200.

II. B – Cash Receipts Impact

Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

N/A

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 15 - To implement the requirements of this section, the Washington State Department of Transportation's Contract Ad and Award staff's workload will increase both when advertising a small works contract and complying with annual reporting requirements. The Ad and Award staff will need to verify contractors are on the roster and are in good standing with roster requirements. They will need to track and record all solicitations for advertisement and all awards to meet the reporting requirements of this section. This additional workload equates to 60 hours per year for a Transportation Technical Engineer and 130 hours per year for a Contracts Specialist 1.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
FTE	0.1	0.1	0.1	0.1	0.1	0.1
Salaries	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Benefits	3,000	3,000	3,002	3,000	3,000	3,000
Total	\$11,000	\$11,000	\$11,002	\$11,000	\$11,000	\$11,000

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

See above.

Individual State Agency Fiscal Note

Part IV: Capital Budget Impact

NA

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule making is expected.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 465-State Parks and Recreation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Dennis Tate	Phone: (360) 902-8540	Date: 02/06/2023
Agency Approval: Van Church	Phone: (360) 902-8542	Date: 02/06/2023
OFM Review: Jennifer Masterson	Phone: (360) 810-0117	Date: 02/06/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The proposed legislation updates and revise's the small and limited works roster process to encourage greater participation and utilization by small, minority, women, and veteran-owned businesses, and to continue to protect the rights of workers engaging in public works projects.

Section 14(1) - A state agency may utilize a statewide small works roster.

The proposed legislation would have no fiscal impact to Parks. Parks does not maintain it's own small public works roster, instead relies on the DES small public works roster.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

None.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: David Hoeveler	Phone: 3609701638	Date: 02/03/2023
Agency Approval: David Hoeveler	Phone: 3609701638	Date: 02/03/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/06/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

NO CHANGE FROM PREVIOUS FISCAL NOTE: This substitute bill changes the descriptions of business types eligible to contract with the state. Section 2 (9) defines state agency including WDFW and any other state agency delegated authority by the department of enterprise services to engage in construction, building, renovation, remodeling, alteration, improvement, or repair activities.

Section 14 allows state agencies to utilize statewide small works roster or maintain one.

Section 15 provides uniform small works roster provisions to award contracts.

WDFW currently goes through the full public works process for our contractors and does not utilize a small works roster. There is no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 490-Department of Natural Resources
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Ana Cruz	Phone: 3609021121	Date: 02/09/2023
Agency Approval: Collin Ashley	Phone: 360-688-3128	Date: 02/09/2023
OFM Review: Jennifer Masterson	Phone: (360) 810-0117	Date: 02/09/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

No changes from previous fiscal note.

Section 2 (9) defines state agency including Department of Natural Resources (DNR) and any other state agency delegated authority by the department of enterprise services to engage in construction, building, renovation, remodeling, alteration, improvement, or repair activities.

Section 14 allows state agencies to utilize statewide small works roster or maintain one.

Section 15 provides uniform small works roster provisions to award contracts.

DNR currently maintains a small works roster under RCW 39.04.155 which is repealed under Section 37, assumed workload for maintaining new small works roster is similar. Therefore, no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5268 S SB	Title: Public works procurement	Agency: 699-Community and Technica College System
-------------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/04/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 02/04/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The substitute bill differs from the original in the following ways:

Changes references in the bill from “women, minority, and veteran-owned businesses and small business entities” to “small, minority, women, and veteran-owned businesses”.

This change would not change fiscal impacts of the bill.

This bill seeks to encourage greater participation and utilization of small, minority, women, and veteran-owned businesses in public works procurement. The bill would provide a small business definition, best practices to be included in inclusion plans, and update and revise the small and limited works roster process to increase administrative efficiency.

SECTION 14

Authorizes a state agency to utilize a statewide small works roster developed by the Department of Commerce or create one for different specialties, categories of anticipated work or geographic areas served by contractors on the roster.

SECTION 15

Provides for a uniform small works roster provision to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property that may be used by state agencies.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipts impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

No expenditure impact.

The bill would allow, but does not require, state agencies to utilize a statewide small works roster developed by the Department of Commerce or create one for different specialties, categories of anticipated work or geographic areas served by contractors on the roster.

The development of a small works roster to encourage greater participation and utilization by small, minority, women, and veteran-owned businesses in public works procurement would not result in additional cost to the CTC system.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5268 S SB

Title: Public works procurement

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

Cities: Savings and minor costs for jurisdictions that opt in to new small works roster

Counties: Same as above

Special Districts:

Specific jurisdictions only:

Variance occurs due to:

Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs:

Legislation provides local option: Authorized local governments may use a statewide small works roster or create their own.

Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/09/2023
Leg. Committee Contact: Tianyi Lan	Phone: 360-786-7432	Date: 02/02/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/09/2023
OFM Review: Jennifer Masterson	Phone: (360) 810-0117	Date: 02/09/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The substitute standardizes references to small, minority, women, and veteran-owned businesses. It changes references to the Municipal Research and Services Program to the Municipal Research and Services Center. These changes do not change the fiscal impacts discussed below.

SUMMARY OF CURRENT BILL VERSION:

Sec. 2 amends definitions in RCW 39.04.010. "Authorized local government" means a political subdivision of the state, school district, or special purpose district with public works authority.

Sec. 14 creates a new section. An authorized local government may utilize a statewide small works roster or create and maintain one or more small works rosters. The small works roster shall consist of all responsible contractors who have requested to be on the list, and where required by law, are properly licensed or registered to perform such work in this state.

An authorized local government establishing a small works roster must require contractors desiring to be placed on the roster to indicate if they meet the definition of women and minority-owned business, veteran-owned business, or small business, and to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the appropriate agency as a condition of being placed on the roster and award of contract.

At least once a year, the local government must publish in a newspaper of general circulation and provide OMWBE a notice of the existence of the roster and solicit contractors for the roster. Responsible contractors must be added to an appropriate roster at any time they submit a written request and the necessary records. Authorized local governments using a small works roster may not break a project into units or construct a project by phases if done for the purposes of avoiding maximum dollar amounts set by this act.

Sec. 15 creates a new section. This section provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property that may be used by state agencies and by any local government that is expressly authorized to use these provisions. These provisions may be used in lieu of other procedures to award contracts for such work with an estimated cost of \$350,000 or less excluding state sales tax. Authorized local governments using small works rosters must establish procedures for implementing this act.

Authorized local governments must document good faith efforts annually implementing: After an award is made, the bid quotations obtained shall be recorded, publicly available, and available by request; and annually, a state agency or authorized local government must publish a list of small works contracts awarded and contractors contacted for direct negotiation pursuant to RCW 39.04.200.

Sections 1 through 30, 32 through 34, 36, 21 and 37 of this act take effect July 1, 2024.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The legislation would provide a local option for cities and counties to use the statewide small works roster once it is created in fiscal year 2025, or to create their own small works rosters. There is no requirement for local governments to change their practices, so as a result there are no expenditure impacts.

Cities and counties choosing to utilize the small works rosters would have both costs and savings. There would be indeterminate, but likely minor costs to comply with the new requirements, which would include developing processes to

annually document their efforts to comply with the rules concerning the roster. There would also be indeterminate savings due to reduced work for competitive processes for small capital projects.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

The legislation would have no revenue impacts for local governments.

SOURCES:

Washington State Association of Counties