
**State Government & Tribal
Affairs Committee**

HB 1328

Brief Description: Concerning small works roster contracting procedures.

Sponsors: Representatives Santos, Anderson, Green, Hunt, Miloscia, McDermott, Hasegawa, Hudgins, Chandler, Darneille, Haigh, Hankins, Wallace, Kristiansen, Kagi, Pettigrew, Kenney and Conway.

Brief Summary of Bill

- Allows a state agency or authorized local government to adopt procedures to award small works roster contracts to certain small businesses.

Hearing Date: 1/23/07

Staff: Marsha Reilly (786-7135).

Background:

State agencies and local governments may use the small works roster process to award contracts for public works projects estimated to cost \$200,000 or less. When an agency or local government elects to use this process, it must solicit bids from at least five contractors who have requested to be listed on a small works roster. The agency or local government, if it decides to award the contract, awards the contract to the lowest responsible bidder. The agency or local government must make an effort to equitably distribute the opportunity among contractors on the roster if the bids are solicited from less than all the contractors on the roster.

In most instances, the general contractor on a public works project is required to post a performance bond to faithfully perform all work under the contract and to pay laborers, materialmen, and subcontractors. Also, in most instances, a retainage of up to 5 percent of the contract amount is required on public works contracts to be paid to the contractors 45 days after the completion of the project. The amount serves as a trust fund for payment of laborers, subcontractors, materialmen, and excise taxes that are imposed on the contract.

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

Summary of Bill:

A state agency or authorized local government may adopt procedures to award small works roster contracts to small businesses with gross revenues under \$1 million annually, as reported on its federal tax return. Additional procedures may be developed to award small work roster contracts to small businesses with gross revenues under \$250,000 annually. For the latter, the state or local agency may waive bond and retainage requirements thereby assuming the liability for the contractors nonpayment of laborers, mechanics, subcontractors, material persons, suppliers, and excise taxes that may be due from the contractor for the project. If the agency elects to waive the bond and retainage requirements, it has the right of recovery against the contractor for any payments made on the contractor's behalf.

Appropriation: None.

Fiscal Note: Not requested.

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