# Washington State House of Representatives Office of Program Research

BILL ANALYSIS

## State Government & Tribal Affairs Committee

### **ESSB 5770**

**Brief Description:** Changing public works provisions for institutions of higher education.

**Sponsors:** Senate Committee on Higher Education (originally sponsored by Senators Shin, Schoesler and Kilmer).

#### **Brief Summary of Engrossed Substitute Bill**

• Increases the bid limit for an open competitive sealed bid process at higher education institutions from \$35,000 to \$55,000 if the work involves two or more trades, and from \$15,000 to \$35,000 if the work involves one trade.

**Hearing Date:** 3/27/07

**Staff:** Marsha Reilly (786-7135).

#### **Background:**

Public entities are required to use the open competitive sealed bid process for public works projects estimated to cost above a certain dollar figure. The dollar figure varies based on how many trades are required for the project. Different public entities have different bid limits. The basic proposition of competitive bidding procedures is that the contract is awarded to the lowest responsible bidder.

The bid limit established for a competitive sealed bid process for a regional or state university, or The Evergreen State College is \$35,000. If a project involves one trade or craft area, such as electrical, and the estimated cost is \$15,000 or more, the project must be bid. If a project is estimated to cost \$25,000 or more, the project is deemed a "public works" and the prevailing rate of wage must be paid on that project. If the project is estimated at \$25,000 or less, a description of the project does not need to be publicized in a legal newspaper of general circulation. The small works roster process may be used for projects estimated to cost \$200,000 or less.

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The bid limit established for a competitive sealed bid process for a community college is \$25,000, or \$10,000 for a single trade.

#### **Summary of Bill:**

Requirements for a public bid process at regional and state universities, the Evergreen State College and community colleges are modified. Projects estimated to cost \$55,000 or more must be bid. If the project involves one trade or craft area, it must be bid if the estimated cost is \$35,000 or more.

Appropriation: None.

**Fiscal Note:** Not requested.

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