

# HOUSE BILL REPORT

## HB 1642

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### As Reported By House Committee On:

Government Administration

**Title:** An act relating to bid requirements for water-sewer districts.

**Brief Description:** Changing bidding for water-sewer districts.

**Sponsors:** Representatives D. Sommers, Scott, Wolfe, D. Schmidt, Wensman and Dunn.

### **Brief History:**

#### **Committee Activity:**

Government Administration: 2/14/97, 3/4/97 [DPS].

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### HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Doumit; Dunn; Reams; Smith; L. Thomas; Wensman and Wolfe.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Gardner, Assistant Ranking Minority Member; Dunshee and Murray.

**Staff:** Bill Lynch (786-7092).

**Background:** Water-sewer districts must follow certain procedures when awarding contracts for purchases or public works. If a contract for a public works project has an estimated value of more than \$5,000 it must be let by contract. If a contract for the purchase of materials, supplies, or equipment has an estimated value of more than \$10,000, it must be awarded by contract. If the contract for purchases has an estimated value of \$5,000 to less than \$50,000, it may be awarded pursuant to either a small works roster process or formal competitive bidding. It has been suggested that these thresholds should be adjusted.

**Summary of Substitute Bill:** The threshold for requiring a public works project to be let by contract is raised from \$5,000 to \$10,000. A water-sewer district may use the uniform process to award contracts for purchases when the contract has an estimated cost from \$10,000 to less than \$50,000.

The cost of a project is the aggregate amount to be paid for all labor, materials, supplies, and equipment of a continuous or interrelated project if the work is to be performed simultaneously or in close sequence.

**Substitute Bill Compared to Original Bill:** Language that created a separate bid limit for the purchase of labor is deleted. The threshold for requiring a public works project to be let by contract is raised from \$5,000 to \$10,000. A definition is added for public works projects. Technical changes are made.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The cost of contract administration is growing. It makes sense to adjust the dollar threshold amounts.

**Testimony Against:** (original) Bid limit statutes should not separate out labor from the rest of the project costs.

**Testified:** Steve Lindstrom, Sno-King Water District Coalition; and Dick Ducharme, Utility Contractors Association of Washington (with amendments).