

HOUSE OF REPRESENTATIVES

Olympia, Washington

Bill Analysis

Bill No. HB 1071

Creating limited public works process

Brief title

Hearing Date 1/26/99

Reps. Romer and D. Schmidt

Sponsor(s)

Staff: Steve Lundin

State Government Committee

Phone: 786-7127

BACKGROUND:

Different procedures are established at agencies and various governmental contractors for public works projects.

Frequently different sets of procedures have been established at agencies and local governmental contractors depending on the estimated cost of the project and with varying requirements follows:

- o An agency or local government may award contracts for public works projects relative to estimated cost in any manner it chooses.
- o An agency or local government may award contracts using a small works cost bidding process awarding contracts for projects up to a medium estimated cost. Under this process a limited number of contractors are contacted and asked to submit bids. The contract is awarded to the lowest responsible bidder.
- o An agency or local government may award contracts using a formal competitive bidding process formally awarding contracts for the highest estimated value where a notice published requests sealed bids and the sealed bids are opened at a designated time and place. The contract is awarded to the lowest responsible bidder.

In addition, several different state agencies and local governments have been authorized to use alternative public works contracting procedures awarding contracts for certain public works contracts of a very large dollar value. One alternative procedure is the design-build procedure. Another alternative procedure is the general contractor/contract manager procedure. Authority for these alternative procedures terminated July, 2001.

In most instances, the general contractor on a public works project is required to perform and to be faithful in its work under the contract and to pay labor, materials, and subcontractors. In most instances, the general contractor on a public works project where the public entity retains 5% of the contract amount from the general contractor for 45 days after completion of the project as a trust fund for payment of labor, materials, and excise taxes is imposed on the project.

SUMMARY :

The limited public works procedure is authorized by the Department of General Administration, Department of Fish and Wildlife, Department of Natural Resources, State Parks and Recreation Commission, and most local governments as a way to award any contract for a public works project with an estimated cost of less than \$35,000.

Under this procedure, the government is solicited to receive written quotations for public works projects from at least three contractors, including certified or minority-owned contractors. The government may award the contract to the lowest qualified contractor even if only one quotation is received, or may reject all quotations. An attempt to be made to equitably distribute opportunities for these contracts among contractors who will perform in the geographic area of the work. A list of qualified contractors will be maintained for the contractor awarded under this process.

The government using the limited public works process may waive performance bond requirements and retain the requirement that the government shall have a right of recovery against the contractor from any payment it makes on behalf of the contractor.

FISCAL NOTE : Not requested.

EFFECTIVE DATE : Ninety days after adjournment of session which bill passed.