

HOUSE BILL REPORT

HB 1515

As Reported by House Committee On:
State Government

Title: An act relating to work performed for institutions of higher education.

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

Sponsors: Representatives Armstrong, O'Brien, Barlean, Hunt, Schoesler, Eickmeyer, Ahern, Darneille, Anderson, Carrell, G. Chandler, Hatfield, Buck, Lovick and Edwards.

Brief History:

Committee Activity:

State Government: 2/21/01, 2/26/01 [DPS].

Brief Summary of Substitute Bill

- Raises the triggering amount that requires a public bid process from \$25,000 to \$35,000.
- Raises the triggering amount that requires a public bid process for projects involving only one trade from \$10,000 to \$15,000.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives McMorris, Republican Co-Chair; Romero, Democratic Co-Chair; Miloscia, Democratic Vice Chair; Schindler, Republican Vice Chair; Haigh, Lambert, McDermott and D. Schmidt.

Staff: Catherine Blinn (786-7114).

Background:

Public works projects for regional and state universities and the Evergreen State College that equal or exceed \$25,000 are subject to a public bid process, the contract for which must be awarded to the lowest responsible bidder. The public bid process must also be used if the project exceeds \$10,000 but only involves one trade or craft area. The prevailing rate of wages must be paid on public works projects of at least \$25,000. The

public bid process is not required if the contract is awarded under the small works roster process. Publication of the project is not required if the estimated cost is under \$25,000 or if the contract is awarded under the small works roster process. Public bid procedures may be waived during an emergency.

Summary of Substitute Bill:

Regional and state universities and the Evergreen State College are required to use a public bid process for public works projects over \$35,000. The college and universities are also required to use a public bid process for public works projects that involve only one trade or craft that exceed \$15,000.

Substitute Bill Compared to Original Bill:

The original bill required a public bid process for public works projects when the labor costs exceeded \$50,000. The substitute bill lowers the triggering amount to total costs exceeding \$35,000. The original bill required a public bid process for public works projects involving only one trade or craft when the labor costs exceeded \$20,000. The substitute bill lowers the triggering amount for single trade projects to total costs exceeding \$15,000.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: (Original bill) Raising the public bid limit is an attempt to keep up with inflation because the \$25,000 limit was set in 1985. Raising the limit would be a cost-saving mechanism for the state because it would reduce the resources and money universities expend simply administering the public bid process. Currently, any project over \$25,000 must be performed by an outside bidder; cannot be performed in-house by available maintenance employees. HB 1515 is a housekeeping measure that makes sense because it will save the universities time and money. Universities can be more efficient by expediting small jobs. All other government units can do more work in-house; have higher limits for contracting out. The change in the limit is long overdue. The change is appropriate because of inflation and because it will provide the universities greater flexibility.

Testimony Against: (Original bill) The current form of the bill only considers the cost of labor, eliminates consideration of the cost of supplies. The majority of all public

works projects should be contracted out. Contracting out better serves the public. Educational institutions should not get into the construction business. Contractors should bear the risks of the construction.

Testified: (In support, original bill) Representative Armstrong, prime sponsor; Tom Whisenant, Seattle-King County Building and Construction Trades Council; Tom McArthur, Washington Federation of State Employees; Dan Sexton, Washington State Association of Plumbers & Pipefitters; and Jane Dennie, Washington State University.

(Opposed, original bill): Duke Schaub, Associated General Contractors of Washington; Dave Ducharme, Utility Contractors Association of Washington; and Larry Stevens, National Electrical Contractors Association.