

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6560

Chapter 216, Laws of 2008

60th Legislature
2008 Regular Session

PUBLIC UTILITY DISTRICTS--CONTRACTS

EFFECTIVE DATE: 06/12/08

Passed by the Senate March 10, 2008
YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 5, 2008
YEAS 96 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6560** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

Approved March 27, 2008, 4:44 p.m.

FILED

March 28, 2008

CHRISTINE GREGOIRE

Governor of the State of Washington

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6560

AS AMENDED BY THE HOUSE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By Senate Water, Energy & Telecommunications (originally sponsored by Senators Honeyford, Morton, Delvin, and Swecker)

READ FIRST TIME 02/08/08.

1 AN ACT Relating to public utility district contracts; amending RCW
2 54.04.070 and 54.04.082; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that public utility
5 districts provide customer-owned, nonprofit utility services throughout
6 Washington state. The legislature further finds that statutory bid
7 limits for public utility districts have not been increased to address
8 inflation and dramatic cost increases in construction materials. The
9 legislature further finds that existing bid limits and high
10 construction material costs often preclude public utility districts
11 from maintaining and repairing their utility infrastructure, providing
12 training and experience to utility workers, and accommodating high
13 contract administrative costs. The legislature further finds that
14 existing bid limits result in increased costs to both public utility
15 districts and utility customers. Therefore, it is the intent of the
16 legislature to amend the bid limits for public utility districts to
17 address inflation and increased material costs.

1 **Sec. 2.** RCW 54.04.070 and 2002 c 72 s 2 are each amended to read
2 as follows:

3 (1) Any item, or items of the same kind of materials, equipment, or
4 supplies purchased, the estimated cost of which is in excess of ~~((ten))~~
5 fifteen thousand dollars, exclusive of sales tax, shall be by
6 contract(~~(:—PROVIDED, That)~~). However, a district may make purchases
7 of the same kind of items of materials, equipment, and supplies not
8 exceeding ~~((five))~~ seven thousand five hundred dollars in any calendar
9 month without a contract, purchasing any excess thereof over ~~((five))~~
10 seven thousand five hundred dollars by contract.

11 (2) Any work ordered by a district commission, the estimated cost
12 of which is in excess of ~~((ten))~~ twenty-five thousand dollars,
13 exclusive of sales tax, shall be by contract(~~(, —except that)~~).
14 However, a district commission may have its own regularly employed
15 personnel perform work which is an accepted industry practice under
16 prudent utility management without a contract. For purposes of this
17 section, "prudent utility management" means performing work with
18 regularly employed personnel utilizing material of a worth not
19 exceeding one hundred fifty thousand dollars in value without a
20 contract(~~(:—PROVIDED, That such)~~). This limit on the value of
21 material being utilized in work being performed by regularly employed
22 personnel shall not include the value of individual items of equipment
23 purchased or acquired and used as one unit of a project.

24 (3) Before awarding ~~((such))~~ a contract required under subsection
25 (1) or (2) of this section, the commission shall publish a notice once
26 or more in a newspaper of general circulation in the district at least
27 thirteen days before the last date upon which bids will be received,
28 inviting sealed proposals for the work or materials(~~(:)~~). Plans and
29 specifications (~~(of which))~~ for the work or materials shall at the time
30 of ~~((the))~~ publication be on file at the office of the district and
31 subject to public inspection. Any published notice ordering work to be
32 performed for the district shall be mailed at the time of publication
33 to any established trade association which files a written request with
34 the district to receive such notices. The commission may, at the same
35 time and as part of the same notice, invite tenders for the work or
36 materials upon plans and specifications to be submitted by the bidders.

37 ~~((All contract projects equal to or in excess of one hundred~~
38 ~~thousand dollars shall be let by))~~ (4) As an alternative to the

1 competitive bidding (~~((unless the public utility))~~) requirements of this
2 section and RCW 54.04.080, a district may let~~((s))~~ contracts using the
3 small works roster process under RCW 39.04.155.

4 (5) Whenever equipment or materials required by a district are held
5 by a governmental agency and are available for sale but such agency is
6 unwilling to submit a proposal, the commission may ascertain the price
7 of such items and file a statement of such price supported by the sworn
8 affidavit of one member of the commission, and may consider such price
9 as a bid without a deposit or bond.

10 (6) Pursuant to RCW 39.04.280, the commission may waive the
11 competitive bidding requirements of this section (~~((pursuant to RCW~~
12 ~~39.04.280))~~) and RCW 54.04.080 if an exemption contained within (~~(that~~
13 ~~section))~~) RCW 39.04.280 applies to the purchase or public work.

14 **Sec. 3.** RCW 54.04.082 and 2002 c 72 s 1 are each amended to read
15 as follows:

16 For the awarding of a contract to purchase any item, or items of
17 the same kind of materials, equipment, or supplies in an amount
18 exceeding (~~((ten))~~) fifteen thousand dollars per calendar month, but less
19 than (~~((fifty))~~) sixty thousand dollars per calendar month, exclusive of
20 sales tax, the commission may, in lieu of the procedure described in
21 RCW 54.04.070 and 54.04.080 requiring public notice to invite sealed
22 proposals for such materials, equipment, or supplies, pursuant to
23 commission resolution use the process provided in RCW 39.04.190.
24 Waiver of the deposit or bid bond required under RCW 54.04.080 may be
25 authorized by the commission in securing such bid quotations.

Passed by the Senate March 10, 2008.

Passed by the House March 5, 2008.

Approved by the Governor March 27, 2008.

Filed in Office of Secretary of State March 28, 2008.