
State Government & Tribal Affairs
Committee

HB 1195

Brief Description: Regarding payment of undisputed claims.

Sponsors: Representatives Haigh, Kristiansen and Hunt; by request of Capital Projects Advisory Review Board.

Brief Summary of Bill

- Requires issuance of change orders to public works contracts on the dollar amount not in dispute within 30 days of satisfactory completion of the work; and
- Obligates payment of interest on the amount not in dispute.

Hearing Date: 1/23/09

Staff: Marsha Reilly (786-7135)

Background:

Public works contracts contain various provisions covering unanticipated situations that may arise during the course of construction. Such protest and claim clauses generally require the contractor to follow specific notice requirements when seeking additional payment for extra work done and increased expenses incurred. A change from the approved scope of work requiring additional work is accomplished through a change order request. The change order must be approved by the public owner before the contractor can receive payment for the work.

Summary of Bill:

A state or municipality must issue a change order to a public works contract for the full dollar amount of the work not in dispute within thirty days of satisfactory completion of the additional work. Failure to do so will result in interest paid by the state or municipality on the undisputed amount at a rate of 1 percent per month.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Not requested.

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