

# SENATE BILL REPORT

## ESSB 6329

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As Amended by House, February 28, 2018

**Title:** An act relating to clarifying the authority and procedures for contracting by public port districts.

**Brief Description:** Clarifying the authority and procedures for contracting by public port districts.

**Sponsors:** Senate Committee on Local Government (originally sponsored by Senators Takko, Angel and Chase).

**Brief History:**

**Committee Activity:** Local Government: 1/23/18, 1/25/18 [DPS].

**Floor Activity:**

Passed Senate: 2/12/18, 46-1.

Passed House: 2/28/18, 91-7.

**Brief Summary of Engrossed First Substitute Bill**

- Port districts may enter a public works contract for complete projects estimated to cost \$40,000 or less without calling for bids.

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### SENATE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** That Substitute Senate Bill No. 6329 be substituted therefor, and the substitute bill do pass.

Signed by Senators Takko, Chair; Palumbo, Vice Chair; Short, Ranking Member; Angel and Liias.

**Staff:** Bonnie Kim (786-7316)

**Background:** Port Districts. Port districts are municipal corporations with the authority to acquire, construct, maintain, operate, develop, and regulate harbor improvements, and transfer and terminal facilities for rail, water, air, and motor vehicles. Port districts may take up an entire single county or may be less than countywide.

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*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.*

Port Districts and Contracts. All material and work required by a port district not meeting the definition of public work may be procured in the open market or by contract and all work ordered may be done by contract or day labor. Generally, public work means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein.

All public work contracts estimated to cost more than \$300,000 must be awarded using a competitive bidding process. Public work contracts estimated to cost less than \$300,000 may be awarded using the small works roster process.

**Summary of Engrossed First Substitute Bill:** Ports districts may enter public work contracts estimated to cost \$40,000 or less without using a competitive bidding process. Public works project is defined to mean a complete project. Districts may not divide a public works project into smaller units to avoid calling for bids under the new provision. Port district managing officials must make their best efforts to reach out to qualified contractors, including certified minority and woman-owned contractors.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: It is inefficient to require a competitive bidding process for small projects. The intention of this bill is to simplify the contracting process for smaller public works projects. This bill is particularly helpful for smaller and rural ports. A small project as low as \$500 currently requires three bids; this is a very inefficient process. It is difficult to get bids for small projects.

**Persons Testifying:** PRO: Senator Dean Takko, Prime Sponsor; Chris Herman, Washington Public Ports Association; Mark Wilson, Port of Kalama.

**Persons Signed In To Testify But Not Testifying:** No one.

#### **EFFECT OF HOUSE AMENDMENT(S):**

- Allows port districts to procure public works with a unit priced contract.
- Requires unit priced contractors to pay prevailing wages in effect at the beginning date for each contract year.