S-3719.1				

## SENATE BILL 6347

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State of Washington 56th Legislature 2000 Regular Session

By Senators Patterson, Winsley and Gardner

Read first time 01/13/2000. Referred to Committee on State & Local Government.

- 1 AN ACT Relating to small works rosters; amending RCW 39.04.155,
- 2 39.04.010, 39.04.200, 28A.335.190, 28B.10.350, 35.22.620, 35.23.352,
- 3 36.32.235, 36.32.250, 36.77.075, 52.14.110, 53.08.120, 54.04.070,
- 4 57.08.050, and 70.44.140; adding a new section to chapter 39.04 RCW;
- 5 adding a new section to chapter 35.82 RCW; creating new sections; and
- 6 repealing RCW 28B.10.355, 35.82.075, and 39.04.150.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 NEW SECTION. Sec. 1. The purpose of this act is to establish a
- 9 common small works roster procedure that state agencies and local
- 10 governments may use to award contracts for construction, building,
- 11 renovation, remodeling, alteration, repair, or improvement of real
- 12 property.
- 13 PART I COMMON SMALL WORKS ROSTER PROCEDURE
- 14 **Sec. 101.** RCW 39.04.155 and 1998 c 278 s 12 are each amended to
- 15 read as follows:
- 16 (1) This section provides ((a)) uniform ((process)) small works
- 17 roster provisions to award contracts for ((public works projects by

p. 1 SB 6347

those municipalities that are authorized to use a small works roster in 1 lieu of the requirements for formal sealed bidding. The state statutes 2 3 governing a specific type of municipality shall establish the maximum 4 dollar thresholds of the contracts that can be awarded under this process, and may include other matters concerning the small works 5 roster process, for the municipality)) construction, building, 6 renovation, remodeling, alteration, repair, or improvement of real 7 8 property that may be used by state agencies and by any local government that is expressly authorized to use these provisions. These provisions 9 may be used in lieu of other procedures to award contracts for such 10 work with an estimated cost of two hundred thousand dollars or less. 11 12

(2) ((Such municipalities)) A state agency or authorized local government may create a single general small works roster, or may create a small works roster for different specialties or categories of Where applicable, small works rosters may make anticipated work. distinctions between contractors based upon different geographic areas The small works roster or rosters shall served by the contractor. consist of all responsible contractors who have requested to be on the list, and where required by law are properly licensed or registered to perform such work in this state. A state agency or local government establishing a small works roster or rosters may require eligible contractors desiring to be placed on a roster or rosters to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the state agency or local government as a condition of being placed on a roster or rosters. At least ((twice)) once a year, the ((municipality)) state agency or local government shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster or rosters and solicit the names of contractors for such roster or rosters. <u>In addition, responsible</u> contractors shall be added to an appropriate roster or rosters at any time they submit a written request and necessary records. Master contracts may be required to be signed that become effective when a specific award is made using a small works roster.

((The governing body of the municipality shall establish a)) (3) A state agency establishing a small works roster or rosters shall adopt rules implementing this section. A local government establishing a small works roster or rosters shall adopt an ordinance or resolution implementing this section. Procedures included in rules adopted by the

SB 6347 p. 2

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department of general administration in implementing this section must 1 be included in any rules providing for a small works roster or rosters 2 that is adopted by another state agency, if the authority for that 3 4 state agency to engage in these activities has been delegated to it by the department of general administration under chapter 43.19 RCW. An 5 interlocal contract or agreement between two or more state agencies or 6 7 local governments establishing a small works roster or rosters to be 8 used by the parties to the agreement or contract must clearly identify 9 the lead entity that is responsible for implementing the provisions of 10 this section.

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(4) Procedures shall be established for securing telephone ((or)), written, or electronic quotations from the contractors on the ((general)) applicable small works roster((, or a specific small works roster for the appropriate category of work, )) to assure that a competitive price is established and to award contracts to the lowest responsive and responsible bidder, as defined in RCW 43.19.1911. Such invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This section does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes. ((Whenever possible)) A state agency or local government soliciting bids using a small works roster must solicit bids from either: (a) At least five contractors ((shall be invited to submit bids. Once a contractor has been afforded an opportunity to submit a proposal, that contractor shall not be offered another opportunity until all other appropriate contractors on the small works roster have been afforded an opportunity to submit a proposal on a contract. Proposals may be invited from)) on the appropriate roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among those contractors; or (b) all appropriate contractors on the small works roster.

34 <u>(5)</u> A contract awarded from a small works roster under this section 35 need not be advertised.

36 <u>(6)</u> Immediately after an award is made, the bid quotations obtained 37 shall be recorded, open to public inspection, and available by 38 telephone inquiry.

p. 3 SB 6347

- 1 (7) The breaking of any project into units or accomplishing any
  2 projects by phases is prohibited if it is done for the purpose of
  3 avoiding the maximum dollar amount of a contract that may be let using
  4 the small works roster process.
- 5 (8) As used in this section, "state agency" means the department of general administration, the state parks and recreation commission, the 6 7 department of natural resources, the department of fish and wildlife, 8 the department of transportation, any institution of higher education 9 as defined under RCW 28B.10.016, and any other state agency delegated authority by the department of general administration to engage in 10 construction, building, renovation, remodeling, alteration, 11 12 improvement, or repair activities.
- 13 **Sec. 102.** RCW 39.04.010 and 1997 c 220 s 402 are each amended to 14 read as follows:
- The term state shall include the state of Washington and all departments, supervisors, commissioners and agencies thereof.
- 17 The term municipality shall include every city, county, town, 18 district or other public agency thereof which is authorized by law to 19 require the execution of public work, except drainage districts, diking districts, diking and drainage improvement districts, drainage 20 improvement districts, diking improvement districts, consolidated 21 diking and drainage improvement districts, consolidated drainage 22 23 improvement districts, consolidated diking improvement districts, 24 irrigation districts or any such other districts as shall from time to 25 time be authorized by law for the reclamation or development of waste 26 or undeveloped lands.
- 27 The term public work shall include all work, construction, alteration, repair, or improvement other than ordinary maintenance, 28 29 executed at the cost of the state or of any municipality, or which is 30 by law a lien or charge on any property therein. All public works, including maintenance when performed by contract shall comply with the 31 provisions of RCW 39.12.020. The term does not include work, 32 33 construction, alteration, repair, or improvement performed under contracts entered into under RCW 36.102.060(4) or under development 34 agreements entered into under RCW 36.102.060(7) or leases entered into 35 36 under RCW 36.102.060(8).
- The term contract shall mean a contract in writing for the execution of public work for a fixed or determinable amount duly

- l awarded after advertisement and competitive bid. However, a contract
- 2 which is awarded from a small works roster ((under the authority of RCW
- 3 39.04.150, 35.22.620, 28B.10.355, 35.82.075, and 57.08.050)) need not
- 4 be advertised.
- 5 **Sec. 103.** RCW 39.04.200 and 1993 c 198 s 3 are each amended to 6 read as follows:
- 7 Any ((municipality that utilizes the small works roster process
- 8 established in RCW 39.04.155 to award contracts for public works
- 9 projects, or)) local government using the uniform process established
- in RCW 39.04.190 to award contracts for purchases((-,)) must post a list
- 11 of the contracts awarded under ((RCW 39.04.155 and 39.04.190)) that
- 12 process at least once every two months. Any state agency or local
- 13 government using the small works roster process established in RCW
- 14 39.04.155 to award contracts for construction, building, renovation,
- 15 remodeling, alteration, repair, or improvement of real property must
- 16 make available a list of the contracts awarded under that process at
- 17 <u>least once every year</u>. The list shall contain the name of the
- 18 contractor or vendor awarded the contract, the amount of the contract,
- 19 a brief description of the type of work performed or items purchased
- 20 under the contract, and the date it was awarded. The list shall also
- 21 state the location where the bid quotations for these contracts are
- 22 available for public inspection.
- NEW SECTION. Sec. 104. A new section is added to chapter 39.04
- 24 RCW to read as follows:
- 25 The department of community, trade, and economic development, in
- 26 cooperation with the municipal research and services center, shall
- 27 prepare a small works roster manual and periodically notify the
- 28 different types of local government authorized to use a small works
- 29 roster process about this authority.
- 30 <u>NEW SECTION.</u> **Sec. 105.** A report on the use of the small works
- 31 roster shall be made to the independent oversight committee established
- 32 under RCW 39.10.110 prior to the 2003 legislative session.

## 33 PART II - REFERENCES TO SMALL WORKS ROSTER PROCEDURE

p. 5 SB 6347

1 **Sec. 201.** RCW 28A.335.190 and 1995 1st sp.s. c 10 s 3 are each 2 amended to read as follows:

3 (1) When, in the opinion of the board of directors of any school 4 district, the cost of any furniture, supplies, equipment, building, improvements, or repairs, or other work or purchases, except books, 5 will equal or exceed the sum of fifty thousand dollars, complete plans 6 7 and specifications for such work or purchases shall be prepared and 8 notice by publication given in at least one newspaper of general 9 circulation within the district, once each week for two consecutive 10 weeks, of the intention to receive bids therefor specifications and other information may be examined at the office of 11 the board or any other officially designated location: PROVIDED, That 12 13 the board without giving such notice may make improvements or repairs to the property of the district through the shop and repair department 14 of such district when the total of such improvements or repair does not 15 16 exceed the sum of (a) fifteen thousand dollars, for districts with 17 fifteen thousand five hundred or more full-time equivalent students; or (b) for districts with fewer than fifteen thousand five hundred full-18 19 time equivalent students, fifteen thousand dollars if more than one craft or trade is involved with the school district improvement or 20 repair, or ten thousand dollars if a single craft or trade is involved 21 with the school district improvement or repair. The cost of any public 22 work, improvement or repair for the purposes of this section shall be 23 24 the aggregate of all amounts to be paid for labor, material, and 25 equipment on one continuous or interrelated project where work is to be 26 performed simultaneously or in close sequence. The bids shall be in writing and shall be opened and read in public on the date and in the 27 place named in the notice and after being opened shall be filed for 28 29 public inspection.

30 (2) Every purchase of furniture, equipment or supplies, except 31 books, the cost of which is estimated to be in excess of fifteen thousand dollars, shall be on a competitive basis. The board of 32 directors shall establish a procedure for securing telephone and/or 33 34 written quotations for such purchases. Whenever the estimated cost is 35 from fifteen thousand dollars up to fifty thousand dollars, the procedure shall require quotations from at least three different 36 37 sources to be obtained in writing or by telephone, and recorded for public perusal. Whenever the estimated cost is in excess of fifty 38

thousand dollars, the public bidding process provided in subsection (1)
for this section shall be followed.

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(3) Every building, improvement, repair or other public works project, the cost of which is estimated to be in excess of (a) fifteen thousand dollars, for districts with fifteen thousand five hundred or more full-time equivalent students; or (b) for districts with fewer than fifteen thousand five hundred full-time equivalent students, fifteen thousand dollars if more than one craft or trade is involved with the school district improvement or repair, or ten thousand dollars if a single craft or trade is involved with the school district improvement or repair, shall be on a competitive bid process. ((All such projects estimated to be less than fifty thousand dollars may be awarded to a contractor on the small works roster. The small works roster shall be comprised of all responsible contractors who have requested to be on the list. The board of directors shall establish a procedure for securing telephone and/or written quotations from the contractors on the small works roster to assure establishment of a competitive price and for awarding contracts to the lowest responsible bidder. Such procedure shall require that a good faith effort be made to request quotations from all contractors on the small works roster who have indicated the capability of performing the kind of public works being contracted. Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry. The small works roster shall be revised at least once each year by publishing notice of such opportunity in at least one newspaper of general circulation in the district. Responsible contractors shall be added to the list at any time they submit a written request.)) Whenever the estimated cost of a public works project is fifty thousand dollars or more, the public bidding process provided in subsection (1) of this section shall be followed unless the contract is let using the small works roster process in RCW 39.04.155 or under any other procedure authorized for school districts. One or more school districts may authorize an educational service district to establish and operate a small works roster for the school district under the provisions of RCW 39.04.155.

(4) The contract for the work or purchase shall be awarded to the lowest responsible bidder as defined in RCW 43.19.1911 but the board may by resolution reject any and all bids and make further calls for bids in the same manner as the original call. On any work or purchase

p. 7 SB 6347

- the board shall provide bidding information to any qualified bidder or the bidder's agent, requesting it in person.
- 3 (5) In the event of any emergency when the public interest or 4 property of the district would suffer material injury or damage by 5 delay, upon resolution of the board declaring the existence of such an emergency and reciting the facts constituting the same, the board may 6 7 waive the requirements of this section with reference to any purchase 8 or contract: PROVIDED, That an "emergency", for the purposes of this 9 section, means a condition likely to result in immediate physical 10 injury to persons or to property of the school district in the absence of prompt remedial action. 11
- 12 (6) This section does not apply to the direct purchase of school 13 buses by school districts and educational services in accordance with 14 RCW 28A.160.195.
- 15 **Sec. 202.** RCW 28B.10.350 and 1993 c 379 s 109 are each amended to 16 read as follows:
- 17 (1) When the cost to The Evergreen State College, any regional 18 university, or state university, of any building, construction, 19 renovation, remodeling, or demolition other than maintenance or repairs will equal or exceed the sum of twenty-five thousand dollars, complete 20 21 plans and specifications for such work shall be prepared and such work shall be put out for public bids and the contract shall be awarded to 22 lowest responsible bidder if in accordance with the bid 23 24 specifications: PROVIDED, That when the estimated cost of such 25 building, construction, renovation, remodeling, or demolition equals or exceeds the sum of twenty-five thousand dollars, such project shall be 26 deemed a public works and "the prevailing rate of wage," under chapter 27 39.12 RCW shall be applicable thereto: PROVIDED FURTHER, That when 28 29 such building, construction, renovation, remodeling, or demolition 30 involves one trade or craft area and the estimated cost exceeds ten thousand dollars, complete plans and specifications for such work shall 31 32 be prepared and such work shall be put out for public bids, and the 33 contract shall be awarded to the lowest responsible bidder if in 34 accordance with the bid specifications. This subsection shall not apply when a contract is awarded by the small works <u>roster</u> procedure 35 36 authorized in RCW ((28B.10.355)) 39.04.155 or under any other procedure authorized for an institution of higher education. 37

- (2) The Evergreen State College, any regional university, or state 1 2 university may require a project to be put to public bid even when it is not required to do so under subsection (1) of this section. 3
- 4 (3) Where the estimated cost to The Evergreen State College, any regional university, or state university of any construction, renovation, remodeling, or demolition is less than twenty-five thousand dollars or the contract is awarded by the small works <u>roster</u> procedure authorized in RCW ((<del>28B.10.355</del>)) <u>39.04.155</u>, the publication requirements of RCW 39.04.020 shall be inapplicable.

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- 10 (4) In the event of any emergency when the public interest or property of The Evergreen State College, regional university, or state 11 university would suffer material injury or damage by delay, the 12 13 president of such college or university may declare the existence of such an emergency and reciting the facts constituting the same may 14 15 waive the requirements of this section with reference to any contract 16 in order to correct the condition causing the emergency: PROVIDED, That an "emergency," for the purposes of this section, means a 17 condition likely to result in immediate physical injury to persons or 18 19 to property of such college or university in the absence of prompt 20 remedial action or a condition which immediately impairs the institution's ability to perform its educational obligations. 21
- 22 Sec. 203. RCW 35.22.620 and 1998 c 278 s 2 are each amended to 23 read as follows:
- 24 (1) As used in this section, the term "public works" means as 25 defined in RCW 39.04.010.
  - (2) A first class city may have public works performed by contract pursuant to public notice and call for competitive bids. As limited by subsection (3) of this section, a first class city may have public works performed by city employees in any annual or biennial budget period equal to a dollar value not exceeding ten percent of the public works construction budget, including any amount in a supplemental public works construction budget, over the budget period. The amount of public works that a first class city has a county perform for it under RCW 35.77.020 shall be included within this ten percent limitation.
- 36 If a first class city has public works performed by public 37 employees in any budget period that are in excess of this ten percent 38 limitation, the amount in excess of the permitted amount shall be

p. 9 SB 6347

- 1 reduced from the otherwise permitted amount of public works that may be
- 2 performed by public employees for that city in its next budget period.
- 3 Twenty percent of the motor vehicle fuel tax distributions to that city
- 4 shall be withheld if two years after the year in which the excess
- 5 amount of work occurred, the city has failed to so reduce the amount of
- 6 public works that it has performed by public employees. The amount so
- 7 withheld shall be distributed to the city when it has demonstrated in
- 8 its reports to the state auditor that the amount of public works it has
- 9 performed by public employees has been so reduced.
- Whenever a first class city has had public works performed in any budget period up to the maximum permitted amount for that budget period, all remaining public works within that budget period shall be done by contract pursuant to public notice and call for competitive bids.
- The state auditor shall report to the state treasurer any first class city that exceeds this amount and the extent to which the city has or has not reduced the amount of public works it has performed by public employees in subsequent years.
- 19 (3) In addition to the percentage limitation provided in subsection 20 (2) of this section, a first class city with a population in excess of one hundred fifty thousand shall not have public employees perform a 21 public works project in excess of fifty thousand dollars if more than 22 a single craft or trade is involved with the public works project, or 23 a public works project in excess of twenty-five thousand dollars if 24 25 only a single craft or trade is involved with the public works project 26 or the public works project is street signalization or street lighting. 27 In addition to the percentage limitation provided in subsection (2) of this section, a first class city with a population of one hundred fifty 28 thousand or less shall not have public employees perform a public works 29 30 project in excess of thirty-five thousand dollars if more than one craft or trade is involved with the public works project, or a public 31 works project in excess of twenty thousand dollars if only a single 32 craft or trade is involved with the public works project or the public 33 works project is street signalization or street lighting. A public 34 35 works project means a complete project. The restrictions in this subsection do not permit the division of the project into units of work 36 37 or classes of work to avoid the restriction on work that may be performed by day labor on a single project. 38

(4) In addition to the accounting and record-keeping requirements contained in RCW 39.04.070, every first class city annually shall prepare a report for the state auditor indicating the total public works construction budget and supplemental public works construction budget for that year, the total construction costs of public works performed by public employees for that year, and the amount of public works that is performed by public employees above or below ten percent of the total construction budget. However, if a city budgets on a biennial basis, this annual report shall indicate the amount of public works that is performed by public employees within the current biennial period that is above or below ten percent of the total biennial construction budget.

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- ((After September 1, 1987,)) <u>Each</u> first class city with a population of one hundred fifty thousand or less shall use the form required by RCW 43.09.205 to account and record costs of public works in excess of five thousand dollars that are not let by contract.
- (5) The cost of a separate public works project shall be the costs of materials, supplies, equipment, and labor on the construction of that project. The value of the public works budget shall be the value of all the separate public works projects within the budget.
- 21 (6) The competitive bidding requirements of this section may be 22 waived by the city legislative authority pursuant to RCW 39.04.280 if 23 an exemption contained within that section applies to the work or 24 contract.
- (7) In lieu of the procedures of subsections (2) and (6) of this section, a first class city may ((use)) let contracts using the small works roster process in RCW 39.04.155 ((to award contracts for public works projects with an estimated value of one hundred thousand dollars or less)) or under any other procedure authorized for the city.
- Whenever possible, the city shall invite at least one proposal from a minority or woman contractor who shall otherwise qualify under this section.
- 33 (8) The allocation of public works projects to be performed by city 34 employees shall not be subject to a collective bargaining agreement.
- 35 (9) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A RCW.

p. 11 SB 6347

(10) Nothing in this section shall prohibit any first class city 1 2 from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused. 3

Sec. 204. RCW 35.23.352 and 1998 c 278 s 3 are each amended to 4 read as follows:

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(1) Any second class city or any town may construct any public works, as defined in RCW 39.04.010, by contract or day labor without calling for bids therefor whenever the estimated cost of the work or improvement, including cost of materials, supplies and equipment will not exceed the sum of thirty thousand dollars if more than one craft or trade is involved with the public works, or twenty thousand dollars if a single craft or trade is involved with the public works or the public works project is street signalization or street lighting. A public works project means a complete project. The restrictions in this subsection do not permit the division of the project into units of work or classes of work to avoid the restriction on work that may be performed by day labor on a single project.

Whenever the cost of the public work or improvement, including materials, supplies and equipment, will exceed these figures, the same shall be done by contract. All such contracts shall be let at public bidding upon publication of notice calling for sealed bids upon the The notice shall be published in the official newspaper, or a newspaper of general circulation most likely to bring responsive bids, at least thirteen days prior to the last date upon which bids will be The notice shall generally state the nature of the work to be done that plans and specifications therefor shall then be on file in the city or town hall for public inspections, and require that bids be sealed and filed with the council or commission within the time specified therein. Each bid shall be accompanied by a bid proposal deposit in the form of a cashier's check, postal money order, or surety bond to the council or commission for a sum of not less than five percent of the amount of the bid, and no bid shall be considered unless accompanied by such bid proposal deposit. The council or commission of the city or town shall let the contract to the lowest responsible bidder or shall have power by resolution to reject any or all bids and to make further calls for bids in the same manner as the original call.

37 When the contract is let then all bid proposal deposits shall be returned to the bidders except that of the successful bidder which 38

shall be retained until a contract is entered into and a bond to 1 perform the work furnished, with surety satisfactory to the council or 2 commission, in accordance with RCW 39.08.030. If the bidder fails to 3 4 enter into the contract in accordance with his or her bid and furnish 5 a bond within ten days from the date at which he or she is notified that he or she is the successful bidder, the check or postal money 6 7 order and the amount thereof shall be forfeited to the council or 8 commission or the council or commission shall recover the amount of the 9 surety bond. A low bidder who claims error and fails to enter into a 10 contract is prohibited from bidding on the same project if a second or subsequent call for bids is made for the project. 11

If no bid is received on the first call the council or commission may readvertise and make a second call, or may enter into a contract without any further call or may purchase the supplies, material or equipment and perform the work or improvement by day labor.

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- (2) The allocation of public works projects to be performed by city or town employees shall not be subject to a collective bargaining agreement.
- 19 (3) In lieu of the procedures of subsection (1) of this section, a 20 second class city or a town may ((use)) <u>let contracts using</u> the small 21 works roster process provided in RCW 39.04.155 ((<del>to award public works</del> 22 <del>contracts with an estimated value of one hundred thousand dollars or</del> 23 <del>less</del>)) or under any other procedure authorized for the city or town.
  - Whenever possible, the city or town shall invite at least one proposal from a minority or woman contractor who shall otherwise qualify under this section.
- 27 (4) The form required by RCW 43.09.205 shall be to account and 28 record costs of public works in excess of five thousand dollars that 29 are not let by contract.
- 30 (5) The cost of a separate public works project shall be the costs 31 of the materials, equipment, supplies, and labor on that construction 32 project.
- 33 (6) Any purchase of supplies, material, or equipment, except for 34 public work or improvement, where the cost thereof exceeds seven 35 thousand five hundred dollars shall be made upon call for bids.
- 36 (7) Bids shall be called annually and at a time and in the manner 37 prescribed by ordinance for the publication in a newspaper of general 38 circulation in the city or town of all notices or newspaper

p. 13 SB 6347

- 1 publications required by law. The contract shall be awarded to the 2 lowest responsible bidder.
- 3 (8) For advertisement and formal sealed bidding to be dispensed 4 with as to purchases with an estimated value of fifteen thousand 5 dollars or less, the council or commission must authorize by 6 resolution, use of the uniform procedure provided in RCW 39.04.190.
- 7 (9) The city or town legislative authority may waive the 8 competitive bidding requirements of this section pursuant to RCW 9 39.04.280 if an exemption contained within that section applies to the 10 purchase or public work.
- (10) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A RCW.
- 14 (11) Nothing in this section shall prohibit any second class city 15 or any town from allowing for preferential purchase of products made 16 from recycled materials or products that may be recycled or reused.
- NEW SECTION. **Sec. 205.** A new section is added to chapter 35.82 RCW to read as follows:
- A housing authority may establish and use a small works roster for awarding contracts under RCW 39.04.155.
- 21 **Sec. 206.** RCW 36.32.235 and 1997 c 220 s 401 are each amended to 22 read as follows:
- 23 (1) In each county with a population of one million or more which 24 resolution establishes a county purchasing department, the purchasing department shall enter into leases of personal property on 25 a competitive basis and purchase all supplies, materials, and equipment 26 27 on a competitive basis, for all departments of the county, as provided 28 in this chapter and chapter 39.04 RCW, except that the county purchasing department is not required to make purchases that are paid 29 from the county road fund or equipment rental and revolving fund. 30
- 31 (2) As used in this section, "public works" has the same definition 32 as in RCW 39.04.010.
- 33 (3) Except as otherwise specified in this chapter or in chapter 34 36.77 RCW, all counties subject to these provisions shall contract on 35 a competitive basis for all public works after bids have been submitted 36 to the county upon specifications therefor. Such specifications shall

be in writing and shall be filed with the clerk of the county legislative authority for public inspection.

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- 3 (4) An advertisement shall be published in the county official 4 newspaper stating the time and place where bids will be opened, the time after which bids will not be received, the character of the work 5 to be done, the materials and equipment to be furnished, and that 6 7 specifications therefor may be seen at the office of the clerk of the 8 county legislative authority. An advertisement shall also be published 9 in a legal newspaper of general circulation in or as near as possible 10 to that part of the county in which such work is to be done. county official newspaper is a newspaper of general circulation 11 covering at least forty percent of the residences in that part of the 12 13 county in which such public works are to be done, then the publication of an advertisement of the applicable specifications in the county 14 official newspaper is sufficient. 15 Such advertisements shall be 16 published at least once at least thirteen days prior to the last date 17 upon which bids will be received.
- (5) The bids shall be in writing, shall be filed with the clerk, 19 shall be opened and read in public at the time and place named therefor in the advertisements, and after being opened, shall be filed for public inspection. No bid may be considered for public work unless it is accompanied by a bid deposit in the form of a surety bond, postal money order, cash, cashier's check, or certified check in an amount equal to five percent of the amount of the bid proposed.
  - (6) The contract for the public work shall be awarded to the lowest responsible bidder. Any or all bids may be rejected for good cause. The county legislative authority shall require from the successful bidder for such public work a contractor's bond in the amount and with the conditions imposed by law.
  - (7) If the bidder to whom the contract is awarded fails to enter into the contract and furnish the contractor's bond as required within ten days after notice of the award, exclusive of the day of notice, the amount of the bid deposit shall be forfeited to the county and the contract awarded to the next lowest and best bidder. The bid deposit of all unsuccessful bidders shall be returned after the contract is awarded and the required contractor's bond given by the successful bidder is accepted by the county legislative authority. after the award is made, the bid quotations obtained shall be recorded

p. 15 SB 6347 1 and open to public inspection and shall be available by telephone 2 inquiry.

(8) As limited by subsection (10) of this section, a county subject to these provisions may have public works performed by county employees in any annual or biennial budget period equal to a dollar value not exceeding ten percent of the public works construction budget, including any amount in a supplemental public works construction budget, over the budget period.

Whenever a county subject to these provisions has had public works performed in any budget period up to the maximum permitted amount for that budget period, all remaining public works except emergency work under subsection (12) of this section within that budget period shall be done by contract pursuant to public notice and call for competitive bids as specified in subsection (3) of this section. The state auditor shall report to the state treasurer any county subject to these provisions that exceeds this amount and the extent to which the county has or has not reduced the amount of public works it has performed by public employees in subsequent years.

- (9) If a county subject to these provisions has public works performed by public employees in any budget period that are in excess of this ten percent limitation, the amount in excess of the permitted amount shall be reduced from the otherwise permitted amount of public works that may be performed by public employees for that county in its next budget period. Ten percent of the motor vehicle fuel tax distributions to that county shall be withheld if two years after the year in which the excess amount of work occurred, the county has failed to so reduce the amount of public works that it has performed by public employees. The amount withheld shall be distributed to the county when it has demonstrated in its reports to the state auditor that the amount of public works it has performed by public employees has been reduced as required.
- In addition to the percentage limitation provided in (10)subsection (8) of this section, counties subject to these provisions containing a population of one million or more shall not have public employees perform a public works project in excess of seventy thousand dollars if more than a single craft or trade is involved with the public works project, or a public works project in excess of twentyfive thousand dollars if only a single craft or trade is involved with the public works project. A public works project means a complete

SB 6347 p. 16

1 project. The restrictions in this subsection do not permit the 2 division of the project into units of work or classes of work to avoid 3 the restriction on work that may be performed by public employees on a 4 single project.

The cost of a separate public works project shall be the costs of materials, supplies, equipment, and labor on the construction of that project. The value of the public works budget shall be the value of all the separate public works projects within the budget.

(11) In addition to the accounting and recordkeeping requirements contained in chapter 39.04 RCW, any county which uses public employees to perform public works projects under RCW 36.32.240(1) shall prepare a year-end report to be submitted to the state auditor indicating the total dollar amount of the county's public works construction budget and the total dollar amount for public works projects performed by public employees for that year.

The year-end report submitted pursuant to this subsection to the state auditor shall be in accordance with the standard form required by RCW 43.09.205.

(12) Notwithstanding any other provision in this section, counties may use public employees without any limitation for emergency work performed under an emergency declared pursuant to RCW 36.32.270, and any such emergency work shall not be subject to the limitations of this section. Publication of the description and estimate of costs relating to correcting the emergency may be made within seven days after the commencement of the work. Within two weeks of the finding that such an emergency existed, the county legislative authority shall adopt a resolution certifying the damage to public facilities and costs incurred or anticipated relating to correcting the emergency. Additionally this section shall not apply to architectural and engineering or other technical or professional services performed by public employees in connection with a public works project.

(13) In lieu of the procedures of subsections (3) through (11) of this section, a county may ((use a)) <u>let contracts using the small</u> works roster process ((and award contracts for public works projects with an estimated value of ten thousand dollars up to one hundred thousand dollars as)) provided in RCW 39.04.155 or under any other procedure authorized for the county.

p. 17 SB 6347

- Whenever possible, the county shall invite at least one proposal from a minority or woman contractor who shall otherwise qualify under this section.
- 4 (14) The allocation of public works projects to be performed by 5 county employees shall not be subject to a collective bargaining 6 agreement.
- 7 (15) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A 9 RCW.
- 10 (16) Nothing in this section prohibits any county from allowing for 11 preferential purchase of products made from recycled materials or 12 products that may be recycled or reused.
- 13 (17) This section does not apply to contracts between the public 14 stadium authority and a team affiliate under RCW 36.102.060(4), or 15 development agreements between the public stadium authority and a team 16 affiliate under RCW 36.102.060(7) or leases entered into under RCW 17 36.102.060(8).
- 18 **Sec. 207.** RCW 36.32.250 and 1996 c 18 s 3 are each amended to read 19 as follows:

No contract for public works may be entered into by the county 20 legislative authority or by any elected or appointed officer of the 21 22 county until after bids have been submitted to the county upon 23 specifications therefor. Such specifications shall be in writing and 24 shall be filed with the clerk of the county legislative authority for 25 public inspection. An advertisement shall be published in the county official newspaper stating the time and place where bids will be 26 opened, the time after which bids will not be received, the character 27 of the work to be done, the materials and equipment to be furnished, 28 29 and that specifications therefor may be seen at the office of the clerk of the county legislative authority. An advertisement shall also be 30 published in a legal newspaper of general circulation in or as near as 31 32 possible to that part of the county in which such work is to be done. If the county official newspaper is a newspaper of general circulation 33 34 covering at least forty percent of the residences in that part of the county in which such public works are to be done, then the publication 35 36 of an advertisement of the applicable specifications in the county official newspaper shall be sufficient. Such advertisements shall be 37 published at least once at least thirteen days prior to the last date 38

upon which bids will be received. The bids shall be in writing, shall 1 be filed with the clerk, shall be opened and read in public at the time 2 and place named therefor in the advertisements, and after being opened, 3 4 shall be filed for public inspection. No bid may be considered for public work unless it is accompanied by a bid deposit in the form of a 5 surety bond, postal money order, cash, cashier's check, or certified 6 7 check in an amount equal to five percent of the amount of the bid 8 The contract for the public work shall be awarded to the 9 lowest responsible bidder. Any or all bids may be rejected for good The county legislative authority shall require from the 10 successful bidder for such public work a contractor's bond in the 11 amount and with the conditions imposed by law. If the bidder to whom 12 the contract is awarded fails to enter into the contract and furnish 13 the contractor's bond as required within ten days after notice of the 14 15 award, exclusive of the day of notice, the amount of the bid deposit 16 shall be forfeited to the county and the contract awarded to the next lowest and best bidder. A low bidder who claims error and fails to 17 enter into a contract is prohibited from bidding on the same project if 18 19 a second or subsequent call for bids is made for the project. The bid deposit of all unsuccessful bidders shall be returned after the 20 contract is awarded and the required contractor's bond given by the 21 successful bidder is accepted by the county legislative authority. 22 the letting of any contract for public works involving less than ten 23 24 thousand dollars, advertisement and competitive bidding may be 25 dispensed with on order of the county legislative authority. 26 Immediately after the award is made, the bid quotations obtained shall 27 be recorded and open to public inspection and shall be available by telephone inquiry. 28

((For advertisement and competitive bidding to be dispensed with as to public works projects with an estimated value of ten thousand dollars up to one hundred thousand dollars, a county must use a small works roster process as provided in RCW 39.04.155.))

As an alternative to requirements under this section, a county may

let contracts using the small works roster process under RCW 39.04.155

or under any other procedure authorized for the county.

This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A RCW.

p. 19 SB 6347

- 1 **Sec. 208.** RCW 36.77.075 and 1991 c 363 s 81 are each amended to 2 read as follows:
- 3 In lieu of the procedure for awarding contracts that is provided in
- 4 RCW 36.77.020 through 36.77.040, a county may award contracts for
- 5 public works projects on county roads ((with an estimated value of one
- 6 hundred thousand dollars or less using a small works roster process as
- 7 provided in)) using the small works roster process under RCW 39.04.155
- 8 or under any other procedure authorized for the county.
- 9 **Sec. 209.** RCW 52.14.110 and 1998 c 278 s 5 are each amended to 10 read as follows:
- 11 Insofar as practicable, purchases and any public works by the
- 12 district shall be based on competitive bids. A formal sealed bid
- 13 procedure shall be used as standard procedure for purchases and
- 14 contracts for purchases executed by the board of commissioners. Formal
- 15 sealed bidding shall not be required for:
- 16 (1) The purchase of any materials, supplies, or equipment if the
- 17 cost will not exceed the sum of four thousand five hundred dollars.
- 18 However, whenever the estimated cost does not exceed ten thousand
- 19 dollars, the commissioners may by resolution use the process provided
- 20 in RCW 39.04.190 to award contracts;
- 21 (2) Contracting for work to be done involving the construction or
- 22 improvement of a fire station or other buildings where the estimated
- 23 cost will not exceed the sum of two thousand five hundred dollars,
- 24 which includes the costs of labor, material, and equipment((... However,
- 25 whenever the estimated cost does not exceed ten thousand dollars, the
- 26 commissioner may by resolution use the small works roster process
- 27 provided in));
- 28 (3) Contracts using the small works roster process under RCW
- 29 39.04.155; and
- $((\frac{3}{3}))$  (4) Any contract for purchases or public work pursuant to
- 31 RCW 39.04.280 if an exemption contained within that section applies to
- 32 the purchase or public work.
- 33 Sec. 210. RCW 53.08.120 and 1999 c 29 s 1 are each amended to read
- 34 as follows:
- 35 All material required by a port district may be procured in the
- 36 open market or by contract and all work ordered may be done by contract
- 37 or day labor. All such contracts for work, the estimated cost of which

exceeds two hundred thousand dollars, shall be let at public bidding 1 upon notice published in a newspaper of general circulation in the 2 district at least thirteen days before the last date upon which bids 3 4 will be received, calling for sealed bids upon the work, plans and specifications for which shall then be on file in the office of the 5 commission for public inspection. The same notice may call for bids on 6 7 such work or material based upon plans and specifications submitted by 8 the bidder. The competitive bidding requirements for purchases or 9 public works may be waived pursuant to RCW 39.04.280 if an exemption 10 contained within that section applies to the purchase or public work. 11 ((Each port district shall maintain a small works roster, as provided in)) However, a port district may let contracts using the 12 13 small works roster process under RCW 39.04.155((, and may use the small works roster process to award contracts)) or under any other procedure 14 15 authorized for the port district in lieu of calling for sealed bids ((whenever work is done by contract, the estimated cost of which is two 16 17 hundred thousand dollars or less)). Whenever possible, the managing official shall invite at least one proposal from a minority contractor 18 19 who shall otherwise qualify under this section.

When awarding such a contract for work, when utilizing proposals from the small works roster, the managing official shall give weight to the contractor submitting the lowest and best proposal, and whenever it would not violate the public interest, such contracts shall be distributed equally among contractors, including minority contractors, on the small works roster.

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A report on the effectiveness of the change in the bid limit will be made to the alternative works construction methods oversight committee prior to the 2003 legislative session.

29 **Sec. 211.** RCW 54.04.070 and 1998 c 278 s 7 are each amended to 30 read as follows:

Any item, or items of the same kind of materials, equipment, or supplies purchased, the estimated cost of which is in excess of five thousand dollars, exclusive of sales tax shall be by contract: PROVIDED, That a district may make purchases of the same kind of items of materials, equipment and supplies not exceeding five thousand dollars in any calendar month without a contract, purchasing any excess thereof over five thousand dollars by contract. Any work ordered by a district commission, the estimated cost of which is in excess of ten

p. 21 SB 6347

thousand dollars exclusive of sales tax, shall be by contract, except 1 that a district commission may have its own regularly employed 2 personnel perform work which is an accepted industry practice under 3 4 prudent utility management without a contract. Prudent utility management means performing work with regularly employed personnel 5 utilizing material of a worth not exceeding fifty thousand dollars in 6 7 value without a contract: PROVIDED, That such limit on the value of 8 material being utilized in work being performed by regularly employed 9 personnel shall not include the value of individual items of equipment purchased or acquired and used as one unit of a project. 10 awarding such a contract, the commission shall publish a notice once or 11 more in a newspaper of general circulation in the district at least 12 13 thirteen days before the last date upon which bids will be received, inviting sealed proposals for the work or materials; plans and 14 15 specifications of which shall at the time of the publication be on file at the office of the district subject to public inspection. 16 17 published notice ordering work to be performed for the district shall be mailed at the time of publication to any established trade 18 19 association which files a written request with the district to receive 20 such notices. The commission may at the same time and as part of the same notice, invite tenders for the work or materials upon plans and 21 specifications to be submitted by the bidders. 22 23

((Notwithstanding any other provisions herein, all contract projects, the estimated cost of which is less than one hundred thousand dollars, may be awarded to a contractor using the small works roster process provided in RCW 39.04.155.)) All contract projects equal to or in excess of one hundred thousand dollars shall be let by competitive bidding unless the public utility district lets contracts using the small works roster process under RCW 39.04.155.

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

The commission may waive the competitive bidding requirements of this section pursuant to RCW 39.04.280 if an exemption contained within that section applies to the purchase or public work.

SB 6347 p. 22

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1 **Sec. 212.** RCW 57.08.050 and 1999 c 153 s 9 are each amended to 2 read as follows:

3 (1) All work ordered, the estimated cost of which is in excess of 4 five thousand dollars, shall be let by contract((. All contract 5 projects, the estimated cost of which is in excess of five thousand dollars and less than fifty thousand dollars, may be awarded to a 6 7 contractor using the small works roster process provided in RCW 8 39.04.155. The board of commissioners may set up uniform procedures to 9 prequalify contractors for inclusion on the small works roster. All 10 contract projects equal to or in excess of fifty thousand dollars shall be let by)) and competitive bidding. Before awarding any such contract 11 the board of commissioners shall publish a notice in a newspaper of 12 general circulation where the district is located at least once 13 thirteen days before the last date upon which bids will be received, 14 15 inviting sealed proposals for such work, plans and specifications which must at the time of publication of such notice be on file in the office 16 17 of the board of commissioners subject to the public inspection. notice shall state generally the work to be done and shall call for 18 19 proposals for doing the same to be sealed and filed with the board of 20 commissioners on or before the day and hour named therein.

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Each bid shall be accompanied by a certified or cashier's check or postal money order payable to the order of the county treasurer for a sum not less than five percent of the amount of the bid, or accompanied by a bid bond in an amount not less than five percent of the bid with a corporate surety licensed to do business in the state, conditioned that the bidder will pay the district as liquidated damages the amount specified in the bond, unless the bidder enters into a contract in accordance with the bidder's bid, and no bid shall be considered unless accompanied by such check, cash or bid bond. At the time and place named such bids shall be publicly opened and read and the board of commissioners shall proceed to canvass the bids and may let such contract to the lowest responsible bidder upon plans and specifications on file or to the best bidder submitting the bidder's own plans and specifications. The board of commissioners may reject all bids for good cause and readvertise and in such case all checks, cash or bid bonds shall be returned to the bidders. If the contract is let, then all checks, cash, or bid bonds shall be returned to the bidders, except that of the successful bidder, which shall be retained until a contract shall be entered into for doing the work, and a bond to perform such

p. 23 SB 6347

work furnished with sureties satisfactory to the board of commissioners 1 2 in the full amount of the contract price between the bidder and the commission in accordance with the bid. If the bidder fails to enter 3 4 into the contract in accordance with the bid and furnish the bond 5 within ten days from the date at which the bidder is notified that the bidder is the successful bidder, the check, cash, or bid bonds and the 6 7 amount thereof shall be forfeited to the district. If the bidder fails 8 to enter into a contract in accordance with the bidder's bid, and the 9 board of commissioners deems it necessary to take legal action to 10 collect on any bid bond required by this section, then the district shall be entitled to collect from the bidder any legal expenses, 11 including reasonable attorneys' fees occasioned thereby. A low bidder 12 13 who claims error and fails to enter into a contract is prohibited from bidding on the same project if a second or subsequent call for bids is 14 15 made for the project.

- (2) As an alternative to requirements under subsection (1) of this 17 section, a water-sewer district may let contracts using the small works roster process under RCW 39.04.155. 18
- 19 (3) Any purchase of materials, supplies, or equipment, with an 20 estimated cost in excess of ten thousand dollars, shall be by contract. Any purchase of materials, supplies, or equipment, with an estimated 21 cost of less than fifty thousand dollars shall be made using the 22 process provided in RCW 39.04.190. 23 Any purchase of materials, supplies, or equipment with an estimated cost of fifty thousand dollars 24 25 or more shall be made by competitive bidding following the procedure 26 for letting contracts for projects under subsection (1) of this 27 section.
- 28  $((\frac{3}{3}))$ The board may waive the competitive bidding requirements of this section pursuant to RCW 39.04.280 if an exemption 29 30 contained within that section applies to the purchase or public work.
- Sec. 213. RCW 70.44.140 and 1999 c 99 s 1 are each amended to read 31 as follows: 32
- 33 (1) All materials purchased and work ordered, the estimated cost of 34 which is in excess of five thousand dollars, shall be by contract.
- Before awarding any such contract, the commission shall publish a 35
- 36 notice at least thirteen days before the last date upon which bids will
- be received, inviting sealed proposals for such work. The plans and 37

specifications must at the time of the publication of such notice be on 38

SB 6347 p. 24

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file at the office of the public hospital district, subject to public 1 PROVIDED, HOWEVER, That the commission may at the same 2 time, and as part of the same notice, invite tenders for the work or 3 4 materials upon plans and specifications to be submitted by bidders. The notice shall state generally the work to be done, and shall call 5 for proposals for doing the same, to be sealed and filed with the 6 7 commission on or before the day and hour named therein. Each bid shall 8 be accompanied by bid proposal security in the form of a certified 9 check, cashier's check, postal money order, or surety bond made payable 10 to the order of the commission, for a sum not less than five percent of the amount of the bid, and no bid shall be considered unless 11 accompanied by such bid proposal security. At the time and place 12 13 named, such bids shall be publicly opened and read, and the commission shall proceed to canvass the bids, and may let such contract to the 14 15 lowest responsible bidder upon plans and specifications on file, or to 16 the best bidder submitting his or her own plans and specifications: PROVIDED, HOWEVER, That no contract shall be let in excess of the 17 estimated cost of the materials or work, or if, in the opinion of the 18 19 commission, all bids are unsatisfactory, they may reject all of them 20 and readvertise, and in such case all bid proposal security shall be returned to the bidders. If the contract is let, then all bid proposal 21 22 security shall be returned to the bidders, except that of the successful bidder, which is retained until a contract shall be entered 23 24 into for the purchase of such materials for doing such work, and a bond 25 to perform such work furnished, with sureties satisfactory to the 26 commission, in an amount to be fixed by the commission, not less than 27 twenty-five percent of contract price in any case, between the bidder 28 and commission, in accordance with the bid. If such bidder fails to 29 enter into the contract in accordance with the bid and furnish such 30 bond within ten days from the date at which the bidder is notified that he or she is the successful bidder, the bid proposal security and the 31 amount thereof shall be forfeited to the public hospital district. A 32 low bidder who claims error and fails to enter into a contract is 33 34 prohibited from bidding on the same project if a second or subsequent 35 call for bids is made for the project.

(2) ((In lieu of the procedures of subsection (1) of this section, a public hospital district may use the contracting processes provided in RCW 39.04.155; however, public hospital districts may only use the small works roster process for projects estimated to cost less than

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p. 25 SB 6347

- 1 fifty thousand dollars)) As an alternative to the requirements of 2 subsection (1) of this section, a public hospital district may let 3 contracts using the small works roster process under RCW 39.04.155.
- 4 (3) Any purchases with an estimated cost of up to fifteen thousand dollars may be made using the process provided in RCW 39.04.190.
- 6 (4) The commission may waive the competitive bidding requirements 7 of this section pursuant to RCW 39.04.280 if an exemption contained 8 within that section applies to the purchase or public work.

## 9 PART III - MISCELLANEOUS

- 10 <u>NEW SECTION.</u> **Sec. 301.** The following acts or parts of acts are 11 each repealed:
- 12 (1) RCW 28B.10.355 (Public works projects--Small works roster--
- 13 Rules--Procedures--Revisions) and 1993 c 379 s 110 & 1985 c 152 s 2;
- 14 (2) RCW 35.82.075 (Small works roster) and 1989 c 363 s 6; and
- 15 (3) RCW 39.04.150 (State agencies authorized to establish small
- 16 works roster--Procedure for securing quotations--Rules) and 1998 c 278
- 17 s 11.
- NEW SECTION. Sec. 302. Part headings used in this act are not any part of the law.

--- END ---