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**SUBSTITUTE HOUSE BILL 3162**

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**State of Washington                      59th Legislature                      2006 Regular Session**

**By** House Committee on Local Government (originally sponsored by Representatives Simpson and Schindler)

READ FIRST TIME 02/03/06.

1            AN ACT Relating to adjusting contracting limits for water-sewer  
2 districts; and reenacting and amending RCW 57.08.050.

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

4            **Sec. 1.** RCW 57.08.050 and 2003 c 145 s 1 and 2003 c 60 s 1 are  
5 each reenacted and amended to read as follows:

6            (1) All work ordered, the estimated cost of which is in excess of  
7 (~~ten~~) forty thousand dollars, shall be let by contract and  
8 competitive bidding. Before awarding any such contract the board of  
9 commissioners shall publish a notice in a newspaper of general  
10 circulation where the district is located at least once thirteen days  
11 before the last date upon which bids will be received, inviting sealed  
12 proposals for such work, plans and specifications which must at the  
13 time of publication of such notice be on file in the office of the  
14 board of commissioners subject to the public inspection. The notice  
15 shall state generally the work to be done and shall call for proposals  
16 for doing the same to be sealed and filed with the board of  
17 commissioners on or before the day and hour named therein.

18            Each bid shall be accompanied by a certified or cashier's check or  
19 postal money order payable to the order of the county treasurer for a

1 sum not less than five percent of the amount of the bid, or accompanied  
2 by a bid bond in an amount not less than five percent of the bid with  
3 a corporate surety licensed to do business in the state, conditioned  
4 that the bidder will pay the district as liquidated damages the amount  
5 specified in the bond, unless the bidder enters into a contract in  
6 accordance with the bidder's bid, and no bid shall be considered unless  
7 accompanied by such check, cash or bid bond. At the time and place  
8 named such bids shall be publicly opened and read and the board of  
9 commissioners shall proceed to canvass the bids and may let such  
10 contract to the lowest responsible bidder upon plans and specifications  
11 on file or to the best bidder submitting the bidder's own plans and  
12 specifications. The board of commissioners may reject all bids for  
13 good cause and readvertise and in such case all checks, cash or bid  
14 bonds shall be returned to the bidders. If the contract is let, then  
15 all checks, cash, or bid bonds shall be returned to the bidders, except  
16 that of the successful bidder, which shall be retained until a contract  
17 shall be entered into for doing the work, and a bond to perform such  
18 work furnished with sureties satisfactory to the board of commissioners  
19 in the full amount of the contract price between the bidder and the  
20 commission in accordance with the bid. If the bidder fails to enter  
21 into the contract in accordance with the bid and furnish the bond  
22 within ten days from the date at which the bidder is notified that the  
23 bidder is the successful bidder, the check, cash, or bid bonds and the  
24 amount thereof shall be forfeited to the district. If the bidder fails  
25 to enter into a contract in accordance with the bidder's bid, and the  
26 board of commissioners deems it necessary to take legal action to  
27 collect on any bid bond required by this section, then the district  
28 shall be entitled to collect from the bidder any legal expenses,  
29 including reasonable attorneys' fees occasioned thereby. A low bidder  
30 who claims error and fails to enter into a contract is prohibited from  
31 bidding on the same project if a second or subsequent call for bids is  
32 made for the project.

33 (2) As an alternative to requirements under subsection (1) of this  
34 section, a water-sewer district may let contracts using the small works  
35 roster process under RCW 39.04.155.

36 (3) Any purchase of materials, supplies, or equipment, with an  
37 estimated cost in excess of (~~ten~~) forty thousand dollars, shall be by  
38 contract. Any purchase of materials, supplies, or equipment(~~(7)~~) with

1 an estimated cost of less than (~~fifty~~) seventy-five thousand dollars  
2 shall be made using the process provided in RCW 39.04.190. Any  
3 purchase of materials, supplies, or equipment with an estimated cost of  
4 (~~fifty~~) seventy-five thousand dollars or more shall be made by  
5 competitive bidding following the procedure for letting contracts for  
6 projects under subsection (1) of this section.

7 (4) As an alternative to requirements under subsection (3) of this  
8 section, a water-sewer district may let contracts for purchase of  
9 materials, supplies, or equipment with the suppliers designated on  
10 current state agency, county, city, or town purchasing rosters for the  
11 materials, supplies, or equipment, when the roster has been established  
12 in accordance with the competitive bidding law for purchases applicable  
13 to the state agency, county, city, or town. The price and terms for  
14 purchases shall be as described on the applicable roster.

15 (5) The board may waive the competitive bidding requirements of  
16 this section pursuant to RCW 39.04.280 if an exemption contained within  
17 that section applies to the purchase or public work.

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