

FINAL BILL REPORT

SB 5036

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Synopsis as Enacted

Brief Description: Clarifying the authority and procedures for unit priced contracting by public utility districts.

Sponsors: Senators Takko and Sheldon.

Senate Committee on Local Government
House Committee on Local Government
House Committee on Capital Budget

Background: Public Utility Districts (PUD). A PUD is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. PUDs are governed by a board of either three or five elected commissioners. PUDs are authorized to establish rates and charges for providing water and sewer services.

PUDs and Contracts. PUDs must contract for the following:

- any items of similar materials, equipment, or supplies estimated to cost more than \$15,000;
- any items of similar materials, equipment, or supplies estimated to cost more than \$7,500, if purchased within a single calendar month; and
- any work ordered by a district commission estimated to cost more than \$25,000.

Under most circumstances, district commissions must publish an invitation for sealed proposals in one or more newspapers of general circulation in the district at least 13 days before bidding closes. Plans and specifications for the work or materials must, at the time of publication, be on file at the office of the district and subject to public inspection.

Summary: A public utility district (PUD) may procure public works with a unit priced contract to complete anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades. "Unit priced contract" is defined as a "competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work." Although an initial contract term may not exceed three years, districts may extend or renew a contract for one additional year.

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.

Invitations for unit price bids must include the following information:

- estimated quantities of the anticipated types of work or trades; and
- how the district will issue or release work assignments, work orders, or task authorizations for projects based on the hourly rates or unit prices bid by the contractor.

In bid proposals for electrical facility construction or improvement work, contractors on a unit priced contract must demonstrate adequate financial resources; necessary experience and technical qualifications; ability to comply with the required performance schedule; a satisfactory record of performance; and legal eligibility to receive the award. Contracts must be awarded to the lowest responsible bidder.

Unit price contractors must pay prevailing wages for all public works that would otherwise be subject to the requirements of chapter 39.12 RCW. Prevailing wages for all work must be the rates in effect at the time an individual work order is issued.

Votes on Final Passage:

Senate	46	0
House	95	1

Effective: July 23, 2017