

CERTIFICATION OF ENROLLMENT

SENATE BILL 5036

Chapter 85, Laws of 2017

65th Legislature
2017 Regular Session

PUBLIC UTILITY DISTRICTS--UNIT PRICED CONTRACTING--PROCEDURES

EFFECTIVE DATE: 7/23/2017

Passed by the Senate March 3, 2017
Yeas 46 Nays 0

CYRUS HABIB

President of the Senate

Passed by the House April 7, 2017
Yeas 95 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Approved April 20, 2017 10:50 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5036** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 20, 2017

**Secretary of State
State of Washington**

SENATE BILL 5036

Passed Legislature - 2017 Regular Session

State of Washington

65th Legislature

2017 Regular Session

By Senators Takko and Sheldon

Read first time 01/11/17. Referred to Committee on Local Government.

1 AN ACT Relating to clarifying the authority and procedures for
2 unit priced contracting by public utility districts; and amending RCW
3 54.04.070.

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

5 **Sec. 1.** RCW 54.04.070 and 2008 c 216 s 2 are each amended to
6 read as follows:

7 (1) Any item, or items of the same kind of materials, equipment,
8 or supplies purchased, the estimated cost of which is in excess of
9 fifteen thousand dollars, exclusive of sales tax, shall be by
10 contract. However, a district may make purchases of the same kind of
11 items of materials, equipment, and supplies not exceeding seven
12 thousand five hundred dollars in any calendar month without a
13 contract, purchasing any excess thereof over seven thousand five
14 hundred dollars by contract.

15 (2) Any work ordered by a district commission, the estimated cost
16 of which is in excess of twenty-five thousand dollars, exclusive of
17 sales tax, shall be by contract. However, a district commission may
18 have its own regularly employed personnel perform work which is an
19 accepted industry practice under prudent utility management without a
20 contract. For purposes of this section, "prudent utility management"
21 means performing work with regularly employed personnel utilizing

1 material of a worth not exceeding one hundred fifty thousand dollars
2 in value without a contract. This limit on the value of material
3 being utilized in work being performed by regularly employed
4 personnel shall not include the value of individual items of
5 equipment purchased or acquired and used as one unit of a project.

6 (3) Before awarding a contract required under subsection (1) or
7 (2) of this section, the commission shall publish a notice once or
8 more in a newspaper of general circulation in the district at least
9 thirteen days before the last date upon which bids will be received,
10 inviting sealed proposals for the work or materials. Plans and
11 specifications for the work or materials shall at the time of
12 publication be on file at the office of the district and subject to
13 public inspection. Any published notice ordering work to be performed
14 for the district shall be mailed at the time of publication to any
15 established trade association which files a written request with the
16 district to receive such notices. The commission may, at the same
17 time and as part of the same notice, invite tenders for the work or
18 materials upon plans and specifications to be submitted by the
19 bidders.

20 (4) As an alternative to the competitive bidding requirements of
21 this section and RCW 54.04.080, a district may let contracts using
22 the small works roster process under RCW 39.04.155.

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

29 (6) Pursuant to RCW 39.04.280, the commission may waive the
30 competitive bidding requirements of this section and RCW 54.04.080 if
31 an exemption contained within RCW 39.04.280 applies to the purchase
32 or public work.

33 (7)(a) A district may procure public works with a unit priced
34 contract under this section, RCW 54.04.080, or 54.04.085 for the
35 purpose of completing anticipated types of work based on hourly rates
36 or unit pricing for one or more categories of work or trades.

37 (b)For the purposes of this section, unit priced contract means a
38 competitively bid contract in which public works are anticipated on a
39 recurring basis to meet the business or operational needs of a
40 district, under which the contractor agrees to a fixed period

1 indefinite quantity delivery of work, at a defined unit price, for
2 each category of work.

3 (c) Unit priced contracts must be executed for an initial
4 contract term not to exceed three years, with the district having the
5 option of extending or renewing the unit priced contract for one
6 additional year.

7 (d) Invitations for unit price bids shall include, for purposes
8 of the bid evaluation, estimated quantities of the anticipated types
9 of work or trades, and specify how the district will issue or release
10 work assignments, work orders, or task authorizations pursuant to a
11 unit priced contract for projects, tasks, or other work based on the
12 hourly rates or unit prices bid by the contractor. Where electrical
13 facility construction or improvement work is anticipated, contractors
14 on a unit priced contract shall comply with the requirements under
15 RCW 54.04.085 (1) through (5). Contracts must be awarded to the
16 lowest responsible bidder as per RCW 39.04.010.

17 (e) Unit price contractors shall pay prevailing wages for all
18 work that would otherwise be subject to the requirements of chapter
19 39.12 RCW. Prevailing wages for all work performed pursuant to each
20 work order must be the rates in effect at the time the individual
21 work order is issued.

Passed by the Senate March 3, 2017.

Passed by the House April 7, 2017.

Approved by the Governor April 20, 2017.

Filed in Office of Secretary of State April 20, 2017.

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