
Local Government Committee

HB 1529

Brief Description: Increasing opportunities for cities to utilize county resources for road construction and maintenance.

Sponsors: Representatives Griffey, Stuebe, Couture and Waters.

Brief Summary of Bill

- Exempts a county's construction, repair, and maintenance of city and town streets under interlocal agreement from statutory public works requirements.

Hearing Date: 2/4/25

Staff: Michelle Rusk (786-7153).

Background:

Public Works.

Public work is all work, construction, alteration, repair, or improvement, other than ordinary maintenance, executed at the cost of the state or any municipality. Every city, county, town, port district, district, or other public agency authorized to execute public work must follow specified requirements for competitive bidding for public works projects. Specific requirements vary by the type of municipality and certain exemptions are provided.

Interlocal Agreements.

Cities or towns may enter into agreements with the county in which they are located, authorizing the county to perform all or any part of the construction, repair, and maintenance of the city's or town's streets at a mutually agreed upon cost and in compliance with statutorily-required public procedures (interlocal agreements). Under interlocal agreements, boards of county

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commissioners may spend funds from the County Road Fund for this street work.

However, except in cases of emergency, county-performed construction work on city streets exceeding \$10,000 must be done by a competitively bid contract, unless after advertisement and solicitation of competitive bids, bids are unattainable, or the lowest bid exceeds the amount for which the construction can be done by means other than a contract.

First-Class Cities.

A first-class city may have public works performed by contract after public notice and a call for competitive bids. Alternatively, city employees may perform public works if the work is less than 10 percent or less of the city's public works construction budget in a given budget period. The amount of public works a first-class city may have a county perform for it under interlocal agreement is included within this 10 percent limitation.

In addition to the foregoing percentage limitation, a first-class city may not have a public employee perform a public works project greater than:

- \$150,000 if more than a single craft or trade is involved; or
- \$75,000 if only a single craft or trade is involved with the public works project, or the project is street signalization or street lighting.

However, a first-class city may have its own personnel perform accepted industry practice work under prudent utility management without a contract. Prudent utility management is work performed with regularly employed personnel without a contract and utilizing material not exceeding \$300,000. The \$300,000 limit on the value of material may not include the value of individual items of equipment used, such as conductors, cabling, wire, pipe, or electrical, water, fiber optic, or telecommunication lines.

Second-Class Cities.

A second-class city or town may construct public works by contract or day labor without a competitive bidding process if the estimated cost of the work will not exceed either:

- \$150,000 when one or more craft or trade is involved; or
- \$75,000 when a single craft or trade is involved, or the project is street signalization or street lighting.

However, a second-class city or a town may have its own personnel perform accepted industry practice work under prudent utility management without a contract in the same manner as a first-class city.

If the cost of public works, including materials, supplies, and equipment, will exceed the \$150,000 or \$75,000 limitations on projects using one or more crafts or trades, then the work must be done by contract after a public bidding process. If no bid is received on the first call, the council or commission may: (1) make a second call for bids; (2) enter into a contract without further calls for bids; or (3) purchase the supplies, material, or equipment, and perform the work or improvement by day labor.

In lieu of the foregoing process, a second-class city or town may use the small works roster (SWR) process. Small works rosters are lists of qualified contractors who can bid for an eligible project estimated to cost \$300,000 or less. Under the SWR process, no advertising of contract opportunities is required. Instead, a state agency or local government solicits bids from at least five of the contractors listed on the appropriate SWR.

Summary of Bill:

First-Class Cities.

The amount of public work on city streets that a county performs for a first-class city under an interlocal agreement is not includable in the 10 percent limitation on public works performed by city employees or a county, and this work may not be included when calculating the amount of public work performed by public employees in a budget period.

Public works on city streets that a county performs for a first-class city by interlocal agreement are also not subject to the limits on public employees performing public works projects greater than \$150,000 or \$75,000.

Second-Class Cities and Towns.

Public works on city streets performed by a county for a second-class city or town under an interlocal agreement are not subject to competitive bidding requirements or limits on public employees performing public works projects greater than \$150,000 or \$75,000.

Appropriation: None.

Fiscal Note: Requested on January 29, 2025.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.