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HOUSE BILL 2505

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State of Washington                      52nd Legislature                      1992 Regular Session

By Representatives Cooper, Ferguson and Haugen

Read first time 01/20/92. Referred to Committee on Local Government.

1            AN ACT Relating to bidding practices of municipalities; and  
2 amending RCW 39.04.155, 39.04.190, 39.04.200, 39.30.045, 36.32.245,  
3 36.32.250, 35.22.620, 35.23.352, 52.14.110, 53.08.120, 54.04.082,  
4 56.08.070, 56.08.080, 56.08.090, 57.08.015, 57.08.016, 57.08.050, and  
5 70.44.140.

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

7            **Sec. 1.** RCW 39.04.155 and 1991 c 363 s 109 are each amended to  
8 read as follows:

9            (1) This section provides a uniform process to award contracts for  
10 public works projects by those ((counties)) municipalities that are  
11 authorized to use a small works roster in lieu of the requirements for  
12 formal sealed bidding. The state statutes governing ((counties)) a  
13 specific type of municipality shall establish the maximum dollar  
14 thresholds of the contracts that can be awarded under this process, and

1 may include other matters concerning the small works roster process,  
2 for the ((county)) municipality.

3 (2) ((Counties)) Such municipalities may create a single general  
4 small works roster, or may create a small works roster for different  
5 categories of anticipated work. The small works roster or rosters  
6 shall consist of all responsible contractors who have requested to be  
7 on the list, and where required by law are properly licensed or  
8 registered to perform such work in this state. At least once a year,  
9 the ((county)) municipality shall publish in a newspaper of general  
10 circulation within the jurisdiction a notice of the existence of the  
11 roster or rosters and solicit the names of contractors for such roster  
12 or rosters.

13 The governing body of the ((county)) municipality shall establish  
14 a procedure for securing telephone or written quotations from the  
15 contractors on the general small works roster, or a specific small  
16 works roster for the appropriate category of work, to assure that a  
17 competitive price is established and to award contracts to the lowest  
18 responsible bidder, as defined in RCW 43.19.1911. Such invitations for  
19 quotations shall include an estimate of the scope and nature of the  
20 work to be performed as well as materials and equipment to be  
21 furnished. Whenever possible at least five contractors shall be  
22 invited to submit bids. Once a contractor has been afforded an  
23 opportunity to submit a proposal, that contractor shall not be offered  
24 another opportunity until all other appropriate contractors on the  
25 small works roster have been afforded an opportunity to submit a  
26 proposal on a contract.

27 A contract awarded from a small works roster under this section  
28 need not be advertised.

1 Immediately after an award is made, the bid quotations obtained  
2 shall be recorded, open to public inspection, and available by  
3 telephone inquiry.

4 **Sec. 2.** RCW 39.04.190 and 1991 c 363 s 110 are each amended to  
5 read as follows:

6 (1) This section provides a uniform process to award contracts for  
7 the purchase of any materials, equipment, supplies, or services by  
8 those ((counties)) municipalities that are authorized to use this  
9 process in lieu of the requirements for formal sealed bidding. The  
10 state statutes governing ((counties)) a specific type of municipality  
11 shall establish the maximum dollar thresholds of the contracts that can  
12 be awarded under this process, and may include other matters concerning  
13 the awarding of contracts for purchases, for the ((county))  
14 municipality.

15 (2) At least once per year, the ((county)) municipality shall  
16 publish in a newspaper of general circulation within the jurisdiction  
17 a notice of the existence of vendor lists and solicit the names of  
18 vendors for the lists. ((Counties)) Municipalities shall by resolution  
19 establish a procedure for securing telephone or written quotations, or  
20 both, from at least three different vendors whenever possible to assure  
21 that a competitive price is established and for awarding the contracts  
22 for the purchase of any materials, equipment, supplies, or services to  
23 the lowest responsible bidder as defined in RCW 43.19.1911. Immediately  
24 after the award is made, the bid quotations obtained shall be recorded,  
25 open to public inspection, and shall be available by telephone inquiry.  
26 A contract awarded pursuant to this section need not be advertised.

27 **Sec. 3.** RCW 39.04.200 and 1991 c 363 s 111 are each amended to  
28 read as follows:

1 Any ((~~county~~)) municipality that utilizes the small works roster  
2 process established in RCW 39.04.155 to award contracts for public  
3 works projects, or the uniform process established in RCW 39.04.190 to  
4 award contracts for purchases, must post a list of the contracts  
5 awarded under RCW 39.04.155 and 39.04.190 at least once every two  
6 months. The list shall contain the name of the contractor or vendor  
7 awarded the contract, the amount of the contract, a brief description  
8 of the type of work performed or items purchased under the contract,  
9 and the date it was awarded. The list shall also state the location  
10 where the bid quotations for these contracts are available for public  
11 inspection.

12 **Sec. 4.** RCW 39.30.045 and 1991 c 363 s 112 are each amended to  
13 read as follows:

14 Any ((~~county~~)) municipality, as defined in RCW 39.04.010, may  
15 purchase any supplies, equipment, or materials at auctions conducted by  
16 the government of the United States or any agency thereof, any agency  
17 of the state of Washington, any municipality or other government  
18 agency, or any private party without being subject to public bidding  
19 requirements if the items can be obtained at a competitive price.

20 **Sec. 5.** RCW 36.32.245 and 1991 c 363 s 62 are each amended to read  
21 as follows:

22 (1) No contract for the purchase of materials, equipment, supplies,  
23 or services may be entered into by the county legislative authority or  
24 by any elected or appointed officer of the county until after bids have  
25 been submitted to the county. Bid specifications shall be in writing  
26 and shall be filed with the clerk of the county legislative authority  
27 for public inspection. An advertisement shall be published in the  
28 official newspaper of the county stating the time and place where bids

1 will be opened, the time after which bids will not be received, the  
2 materials, equipment, supplies, or services to be purchased, and that  
3 the specifications may be seen at the office of the clerk of the county  
4 legislative authority. The advertisement shall be published at least  
5 once at least ten days prior to the last date upon which bids will be  
6 received.

7 (2) The bids shall be in writing and filed with the clerk. The  
8 bids shall be opened and read in public at the time and place named in  
9 the advertisement. Immediately after the award is made, the bid  
10 quotations shall be recorded and open to public inspection and shall be  
11 available by telephone inquiry. Any or all bids may be rejected for  
12 good cause.

13 (3) For advertisement and formal sealed bidding to be dispensed  
14 with as to purchases between two thousand five hundred and twenty-five  
15 thousand dollars, the county legislative authority must use the uniform  
16 process to award contracts as provided in RCW 39.04.190. Advertisement  
17 and formal sealed bidding may be dispensed with as to purchases of less  
18 than two thousand five hundred dollars upon the order of the county  
19 legislative authority.

20 (4) This section does not apply to performance-based contracts, as  
21 defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A  
22 RCW; or contracts and purchases for the printing of election ballots,  
23 voting machine labels, and all other election material containing the  
24 names of candidates and ballot titles.

25 (5) Nothing in this section shall prohibit the legislative  
26 authority of any county from allowing for preferential purchase of  
27 products made from recycled materials or products that may be recycled  
28 or reused.

1       **Sec. 6.** RCW 36.32.250 and 1991 c 363 s 58 are each amended to read  
2 as follows:

3       No contract for public works may be entered into by the county  
4 legislative authority or by any elected or appointed officer of the  
5 county until after bids have been submitted to the county upon  
6 specifications therefor. Such specifications shall be in writing and  
7 shall be filed with the clerk of the county legislative authority for  
8 public inspection. An advertisement shall be published in the county  
9 official newspaper stating the time and place where bids will be  
10 opened, the time after which bids will not be received, the character  
11 of the work to be done, the materials and equipment to be furnished,  
12 and that specifications therefor may be seen at the office of the clerk  
13 of the county legislative authority. An advertisement shall also be  
14 published in a legal newspaper of general circulation in or as near as  
15 possible to that part of the county in which such work is to be done.  
16 If the county official newspaper is a newspaper of general circulation  
17 covering at least forty percent of the residences in that part of the  
18 county in which such public works are to be done, then the publication  
19 of an advertisement of the applicable specifications in the county  
20 official newspaper shall be sufficient. Such advertisements shall be  
21 published at least once at least ten days prior to the last date upon  
22 which bids will be received. The bids shall be in writing, shall be  
23 filed with the clerk, shall be opened and read in public at the time  
24 and place named therefor in the advertisements, and after being opened,  
25 shall be filed for public inspection. No bid may be considered for  
26 public work unless it is accompanied by a bid deposit in the form of a  
27 surety bond, postal money order, cash, cashier's check, or certified  
28 check in an amount equal to five percent of the amount of the bid  
29 proposed. The contract for the public work shall be awarded to the  
30 lowest responsible bidder. Any or all bids may be rejected for good

1 cause. The county legislative authority shall require from the  
2 successful bidder for such public work a contractor's bond in the  
3 amount and with the conditions imposed by law. If the bidder to whom  
4 the contract is awarded fails to enter into the contract and furnish  
5 the contractor's bond as required within ten days after notice of the  
6 award, exclusive of the day of notice, the amount of the bid deposit  
7 shall be forfeited to the county and the contract awarded to the next  
8 lowest and best bidder. The bid deposit of all unsuccessful bidders  
9 shall be returned after the contract is awarded and the required  
10 contractor's bond given by the successful bidder is accepted by the  
11 county legislative authority. In the letting of any contract involving  
12 less than ten thousand dollars, advertisement and competitive bidding  
13 may be dispensed with on order of the county legislative authority.  
14 Immediately after the award is made, the bid quotations obtained shall  
15 be recorded and open to public inspection and shall be available by  
16 telephone inquiry.

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

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

24 **Sec. 7.** RCW 35.22.620 and 1989 c 431 s 59 are each amended to read  
25 as follows:

26 (1) As used in this section, the term "public works" means as  
27 defined in RCW 39.04.010.

28 (2) A first class city may have public works performed by contract  
29 pursuant to public notice and call for competitive bids. As limited by

1 subsection (3) of this section, a first class city may have public  
2 works performed by city employees in any annual or biennial budget  
3 period equal to a dollar value not exceeding ten percent of the public  
4 works construction budget, including any amount in a supplemental  
5 public works construction budget, over the budget period. The amount  
6 of public works that a first class city has a county perform for it  
7 under RCW 35.77.020 shall be included within this ten percent  
8 limitation.

9 If a first class city has public works performed by public  
10 employees in any budget period that are in excess of this ten percent  
11 limitation, the amount in excess of the permitted amount shall be  
12 reduced from the otherwise permitted amount of public works that may be  
13 performed by public employees for that city in its next budget period.  
14 Twenty percent of the motor vehicle fuel tax distributions to that city  
15 shall be withheld if two years after the year in which the excess  
16 amount of work occurred, the city has failed to so reduce the amount of  
17 public works that it has performed by public employees. The amount so  
18 withheld shall be distributed to the city when it has demonstrated in  
19 its reports to the state auditor that the amount of public works it has  
20 performed by public employees has been so reduced.

21 Whenever a first class city has had public works performed in any  
22 budget period up to the maximum permitted amount for that budget  
23 period, all remaining public works within that budget period shall be  
24 done by contract pursuant to public notice and call for competitive  
25 bids.

26 The state auditor shall report to the state treasurer any first  
27 class city that exceeds this amount and the extent to which the city  
28 has or has not reduced the amount of public works it has performed by  
29 public employees in subsequent years.

1           (3) In addition to the percentage limitation provided in subsection  
2 (2) of this section, a first class city with a population in excess of  
3 one hundred fifty thousand shall not have public employees perform a  
4 public works project in excess of fifty thousand dollars if more than  
5 a single craft or trade is involved with the public works project, or  
6 a public works project in excess of twenty-five thousand dollars if  
7 only a single craft or trade is involved with the public works project  
8 or the public works project is street signalization or street lighting.  
9 In addition to the percentage limitation provided in subsection (2) of  
10 this section, a first class city with a population of one hundred fifty  
11 thousand or less shall not have public employees perform a public works  
12 project in excess of thirty-five thousand dollars if more than one  
13 craft or trade is involved with the public works project, or a public  
14 works project in excess of twenty thousand dollars if only a single  
15 craft or trade is involved with the public works project or the public  
16 works project is street signalization or street lighting. A public  
17 works project means a complete project. The restrictions in this  
18 subsection do not permit the division of the project into units of work  
19 or classes of work to avoid the restriction on work that may be  
20 performed by day labor on a single project.

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

1 period that is above or below ten percent of the total biennial  
2 construction budget.

3 After September 1, 1987, each first class city with a population of  
4 one hundred fifty thousand or less shall use the form required by RCW  
5 43.09.205 to account and record costs of public works in excess of five  
6 thousand dollars that are not let by contract.

7 (5) The cost of a separate public works project shall be the costs  
8 of materials, supplies, equipment, and labor on the construction of  
9 that project. The value of the public works budget shall be the value  
10 of all the separate public works projects within the budget.

11 (6) When any emergency shall require the immediate execution of  
12 such public work, upon the finding of the existence of such emergency  
13 by the authority having power to direct such public work to be done and  
14 duly entered of record, publication of description and estimate may be  
15 made within seven days after the commencement of the work. Within two  
16 weeks of the finding that such an emergency existed, the city council  
17 shall adopt a resolution certifying the existence of this emergency  
18 situation.

19 (7) In lieu of the procedures of subsections (2) and (6) of this  
20 section, a first class city may use a small works roster process and  
21 award contracts ~~((under this subsection for contracts))~~ for public  
22 works projects with an estimated value of one hundred thousand dollars  
23 or less as provided in RCW 39.04.155.

24 ~~((a) The city may maintain a small works roster comprised of all~~  
25 ~~contractors who have requested to be on the roster and are, where~~  
26 ~~required by law, properly licensed or registered to perform such work~~  
27 ~~in this state.~~

28 ~~(b) Whenever work is done by contract, the estimated cost of which~~  
29 ~~is one hundred thousand dollars or less, and the city uses the small~~  
30 ~~works roster, the city shall invite proposals from all appropriate~~

1 ~~contractors on the small works roster: PROVIDED, That not less than~~  
2 ~~five separate appropriate contractors, if available, shall be invited~~  
3 ~~to submit bids on any one contract: PROVIDED FURTHER, That)) Whenever~~  
4 possible, the city shall invite at least one proposal from a minority  
5 or woman contractor who shall otherwise qualify under this section.  
6 ((~~Once a bidder on the small works roster has been offered an~~  
7 ~~opportunity to bid, that bidder shall not be offered another~~  
8 ~~opportunity until all other appropriate contractors on the small works~~  
9 ~~roster have been afforded an opportunity to submit a bid. Invitations~~  
10 ~~shall include an estimate of the scope and nature of the work to be~~  
11 ~~performed, and materials and equipment to be furnished.~~

12 ~~(c) When awarding such a contract for work, the estimated cost of~~  
13 ~~which is one hundred thousand dollars or less, the city shall award the~~  
14 ~~contract to the contractor submitting the lowest responsible bid.))~~

15 (8) The allocation of public works projects to be performed by city  
16 employees shall not be subject to a collective bargaining agreement.

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

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

23 **Sec. 8.** RCW 35.23.352 and 1989 c 431 s 56 are each amended to read  
24 as follows:

25 (1) Any second or third class city or any town may construct any  
26 public works, as defined in RCW 39.04.010, by contract or day labor  
27 without calling for bids therefor whenever the estimated cost of the  
28 work or improvement, including cost of materials, supplies and  
29 equipment will not exceed the sum of thirty thousand dollars if more

1 than one craft or trade is involved with the public works, or twenty  
2 thousand dollars if a single craft or trade is involved with the public  
3 works or the public works project is street signalization or street  
4 lighting. A public works project means a complete project. The  
5 restrictions in this subsection do not permit the division of the  
6 project into units of work or classes of work to avoid the restriction  
7 on work that may be performed by day labor on a single project.

8 Whenever the cost of the public work or improvement, including  
9 materials, supplies and equipment, will exceed these figures, the same  
10 shall be done by contract. All such contracts shall be let at public  
11 bidding upon ~~((posting))~~ publication of notice calling for sealed bids  
12 upon the work. The notice ~~((thereof shall be posted in a public place  
13 in the city or town and by publication))~~ shall be published in the  
14 official newspaper, or a newspaper of general circulation most likely  
15 to bring responsive bids, ~~((once each week for two consecutive weeks  
16 before))~~ at least ten days prior to the date fixed for opening the  
17 bids. The notice shall generally state the nature of the work to be  
18 done that plans and specifications therefor shall then be on file in  
19 the city or town hall for public inspections, and require that bids be  
20 sealed and filed with the council or commission within the time  
21 specified therein. Each bid shall be accompanied by a bid proposal  
22 deposit in the form of a cashier's check, postal money order, or surety  
23 bond to the council or commission for a sum of not less than five  
24 percent of the amount of the bid, and no bid shall be considered unless  
25 accompanied by such bid proposal deposit. The council or commission of  
26 the city or town shall let the contract to the lowest responsible  
27 bidder or shall have power by resolution to reject any or all bids and  
28 to make further calls for bids in the same manner as the original call.

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

1 shall be retained until a contract is entered into and a bond to  
2 perform the work furnished, with surety satisfactory to the council or  
3 commission, in ~~((the full amount of the contract price))~~ accordance  
4 with RCW 39.08.030. If the bidder fails to enter into the contract in  
5 accordance with his or her bid and furnish a bond within ten days from  
6 the date at which he or she is notified that he or she is the  
7 successful bidder, the check or postal money order and the amount  
8 thereof shall be forfeited to the council or commission or the council  
9 or commission shall recover the amount of the surety bond.

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

14 (2) The allocation of public works projects to be performed by city  
15 or town employees shall not be subject to a collective bargaining  
16 agreement.

17 (3) In lieu of the procedures of subsection (1) of this section, a  
18 second or third class city or a town may use a small works roster  
19 process and award public works contracts ~~((under this subsection for~~  
20 ~~contracts))~~ with an estimated value of one hundred thousand dollars or  
21 less as provided in RCW 39.04.155.

22 ~~((a) The city or town may maintain a small works roster comprised~~  
23 ~~of all contractors who have requested to be on the roster and are,~~  
24 ~~where required by law, properly licensed or registered to perform such~~  
25 ~~work in this state.~~

26 ~~(b) Whenever work is done by contract, the estimated cost of which~~  
27 ~~is one hundred thousand dollars or less, and the city uses the small~~  
28 ~~works roster, the city or town shall invite proposals from all~~  
29 ~~appropriate contractors on the small works roster: PROVIDED, That))~~  
30 Whenever possible, the city or town shall invite at least one proposal

1 from a minority or woman contractor who shall otherwise qualify under  
2 this section. (~~The invitation shall include an estimate of the scope  
3 and nature of the work to be performed, and materials and equipment to  
4 be furnished.~~

5 ~~(c) When awarding such a contract for work, the estimated cost of  
6 which is one hundred thousand dollars or less, the city or town shall  
7 award the contract to the contractor submitting the lowest responsible  
8 bid.))~~

9 (4) After September 1, 1987, each second class city, third class  
10 city, and town shall use the form required by RCW 43.09.205 to account  
11 and record costs of public works in excess of five thousand dollars  
12 that are not let by contract.

13 (5) The cost of a separate public works project shall be the costs  
14 of the materials, equipment, supplies, and labor on that construction  
15 project.

16 (6) Any purchase of supplies, material, equipment or services other  
17 than professional services, except for public work or improvement,  
18 where the cost thereof exceeds seven thousand five hundred dollars  
19 shall be made upon call for bids(~~(: PROVIDED, That the limitations  
20 herein shall not apply to any purchases of materials at auctions  
21 conducted by the government of the United States, any agency thereof or  
22 by the state of Washington or a political subdivision thereof)).~~

23 (7) Bids shall be called annually and at a time and in the manner  
24 prescribed by ordinance for the publication in a newspaper (~~published  
25 or~~) of general circulation in the city or town of all notices or  
26 newspaper publications required by law. The contract shall be awarded  
27 to the lowest responsible bidder.

28 (8) For advertisement and (~~competitive~~) formal sealed bidding to  
29 be dispensed with as to purchases between seven thousand five hundred  
30 and fifteen thousand dollars, the city legislative authority must

1 authorize by resolution ((a)), use of the uniform procedure ((for  
2 ~~securing telephone and/or written quotations from enough vendors to~~  
3 ~~assure establishment of a competitive price and for awarding the~~  
4 ~~contracts for purchase of materials, equipment, or services to the~~  
5 ~~lowest responsible bidder. Immediately after the award is made, the~~  
6 ~~bid quotations obtained shall be recorded and open to public inspection~~  
7 ~~and shall be available by telephone inquiry)) provided in RCW  
8 39.04.190.~~

9 (9) These requirements for purchasing may be waived by resolution  
10 of the city or town council which declared that the purchase is clearly  
11 and legitimately limited to a single source or supply within the near  
12 vicinity, or the materials, supplies, equipment, or services are  
13 subject to special market conditions, and recites why this situation  
14 exists. Such actions are subject to RCW 39.30.020.

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

18 (11) Nothing in this section shall prohibit any second or third  
19 class city or any town from allowing for preferential purchase of  
20 products made from recycled materials or products that may be recycled  
21 or reused.

22 **Sec. 9.** RCW 52.14.110 and 1984 c 238 s 3 are each amended to read  
23 as follows:

24 Insofar as practicable, purchases and any public works by the  
25 district shall be based on competitive bids. A formal sealed bid  
26 procedure shall be used as standard procedure for purchases and  
27 contracts for purchases executed by the board of commissioners. Formal  
28 sealed bidding shall not be required for:

1 (1) Emergency purchases if the sealed bidding procedure would  
2 prevent or hinder the emergency from being addressed appropriately.  
3 The term emergency means an occurrence that creates an immediate threat  
4 to life or property;

5 (2) The purchase of any materials, supplies, or equipment if the  
6 cost will not exceed the sum of (~~ten~~) four thousand five hundred  
7 dollars(~~(: PROVIDED, That)~~). However, whenever the estimated cost is  
8 from (~~forty five hundred~~) four thousand five hundred dollars up to  
9 ten thousand dollars, the commissioners (~~shall require quotations from~~  
10 at least three different sources to be obtained in writing or by  
11 telephone, and recorded for public perusal to assure establishment of  
12 a competitive price for such purchase)) may by resolution use the  
13 process provided in RCW 39.04.190 to award contracts;

14 (3) Contracting for work to be done involving the construction or  
15 improvement of a fire station or other buildings where the estimated  
16 cost will not exceed the sum of two thousand five hundred dollars,  
17 which includes the costs of labor, material, and equipment. However,  
18 whenever the estimated cost is from two thousand five hundred dollars  
19 up to ten thousand dollars, the commissioner may by resolution use the  
20 small works roster process provided in RCW 39.04.155;

21 (4) Purchases which are clearly and legitimately limited to a  
22 single source of supply, or services, in which instances the purchase  
23 price may be best established by direct negotiation: PROVIDED, That  
24 this subsection shall not apply to purchases or contracts relating to  
25 public works as defined in chapter 39.04 RCW; and

26 (5) Purchases of insurance and bonds.

27 **Sec. 10.** RCW 53.08.120 and 1988 c 235 s 1 are each amended to read  
28 as follows:

1 All material required by a port district may be procured in the  
2 open market or by contract and all work ordered may be done by contract  
3 or day labor. All such contracts for work, the estimated cost of which  
4 exceeds one hundred thousand dollars, shall be let at public bidding  
5 upon notice published in a newspaper of general circulation in the  
6 district at least ten days before the letting, calling for sealed bids  
7 upon the work, plans and specifications for which shall then be on file  
8 in the office of the commission for public inspection. The same notice  
9 may call for bids on such work or material based upon plans and  
10 specifications submitted by the bidder.

11 Each port district shall maintain a small works roster (~~(which~~  
12 ~~shall be comprised of all contractors who have requested to be on the~~  
13 ~~roster and are, where required by law, properly licensed or registered~~  
14 ~~to perform such work in the state of Washington.))~~, as provided in RCW  
15 39.04.155, and may use the small works roster process to award  
16 contracts in lieu of calling for sealed bids whenever work is done by  
17 contract, the estimated cost of which is one hundred thousand dollars  
18 or less(~~(, the managing official of the port district may invite~~  
19 ~~proposals from all appropriate contractors on the small works roster:~~  
20 ~~PROVIDED, That not less than five separate appropriate contractors~~  
21 ~~shall be invited to submit proposals on any individual contract:~~  
22 ~~PROVIDED FURTHER, That~~)). Whenever possible, the managing official  
23 shall invite at least one proposal from a minority contractor who shall  
24 otherwise qualify under this section. ((Such invitation shall include  
25 an estimate of the scope and nature of the work to be performed, and  
26 materials and equipment to be furnished.))

27 When awarding such a contract for work, when utilizing proposals  
28 from the small works roster, the managing official shall give weight to  
29 the contractor submitting the lowest and best proposal, and whenever it  
30 would not violate the public interest, such contracts shall be

1 distributed equally among contractors, including minority contractors,  
2 on the small works roster.

3 **Sec. 11.** RCW 54.04.082 and 1977 ex.s. c 116 s 1 are each amended  
4 to read as follows:

5 For the awarding of a contract to purchase any item, or items of  
6 the same kind of materials, equipment, or supplies in an amount  
7 exceeding five thousand dollars, but less than fifteen thousand  
8 dollars, exclusive of sales tax, the commission may, in lieu of the  
9 procedure described in RCW 54.04.070 and 54.04.080 requiring public  
10 notice to invite sealed proposals for such materials, equipment, or  
11 supplies, (~~authorize by~~) pursuant to commission resolution (~~a staff  
12 procedure for securing telephone and/or written quotations from enough  
13 vendors to assure establishment of a competitive price and for awarding  
14 such contracts for purchase of materials, equipment, or supplies to the  
15 lowest responsible bidder. Immediately after the award is made, the bid  
16 quotations obtained shall be recorded and shall be posted or otherwise  
17 made available at the office of the commission or any other officially  
18 designated location~~) use the process provided in RCW 39.04.190.  
19 Waiver of the deposit or bid bond required under RCW 54.04.080 may be  
20 authorized by the commission in securing such bid quotations.

21 **Sec. 12.** RCW 56.08.070 and 1989 c 105 s 1 are each amended to read  
22 as follows:

23 (1) All materials purchased and work ordered, the estimated cost of  
24 which is in excess of five thousand dollars shall be let by contract.  
25 All contract projects, the estimated cost of which is less than fifty  
26 thousand dollars, may be awarded to a contractor (~~on~~) using the small  
27 works roster(~~(. The small works roster shall be comprised of all  
28 responsible contractors who have requested to be on the list)~~) process

1 provided in RCW 39.04.155 or the process provided in RCW 39.04.190 for  
2 purchases. The board of sewer commissioners may set up uniform  
3 procedures to prequalify contractors for inclusion on the small works  
4 roster. (~~The board of sewer commissioners shall authorize by~~  
5 ~~resolution a procedure for securing telephone and/or written quotations~~  
6 ~~from the contractors on the small works roster to assure establishment~~  
7 ~~of a competitive price and for awarding contracts to the lowest~~  
8 ~~responsible bidder. Such procedure shall require that a good faith~~  
9 ~~effort be made to request quotations from all contractors on the small~~  
10 ~~works roster. Immediately after an award is made, the bid quotations~~  
11 ~~obtained shall be recorded, open to public inspection, and available by~~  
12 ~~telephone inquiry. The small works roster shall be revised once a~~  
13 ~~year.)) All contract projects equal to or in excess of fifty thousand  
14 dollars shall be let by competitive bidding. Before awarding any  
15 competitive contract the board of sewer commissioners shall ((cause))  
16 publish a notice (~~to be published~~) in a newspaper (~~in~~) of general  
17 circulation where the district is located at least once, ten days  
18 before the letting of such contract, inviting sealed proposals for such  
19 work, plans and specifications which must at the time of publication of  
20 such notice be on file in the office of the board of sewer  
21 commissioners subject to public inspection. Such notice shall state  
22 generally the work to be done and shall call for proposals for doing  
23 the same to be sealed and filed with the board of sewer commissioners  
24 on or before the day and hour named therein.~~

25 (2) Each bid shall be accompanied by a bid proposal deposit in the  
26 form of a certified check, cashier's check, postal money order, or  
27 surety bond payable to the order of the county treasurer for a sum not  
28 less than five percent of the amount of the bid and no bid shall be  
29 considered unless accompanied by such bid proposal deposit. At the  
30 time and place named such bids shall be publicly opened and read and

1 the board of sewer commissioners shall proceed to canvass the bids and  
2 may let such contract to the lowest responsible bidder upon plans and  
3 specifications: PROVIDED, That no contract shall be let in excess of  
4 the cost of (~~said~~) the materials or work, or if in the opinion of the  
5 board of sewer commissioners all bids are unsatisfactory they may  
6 reject all of them and readvertise and in such case all checks, cash or  
7 bid bonds shall be returned to the bidders. If such contract be let,  
8 then all checks, cash or bid bonds shall be returned to the bidders,  
9 except that of the successful bidder, which shall be retained until a  
10 contract shall be entered into for the purchase of such materials or  
11 doing such work, and a bond to perform such work furnished with  
12 sureties satisfactory to the board of sewer commissioners in the full  
13 amount of the contract price between the bidder and the commission in  
14 accordance with bid. If (~~said~~) the bidder fails to enter into  
15 (~~said~~) the contract in accordance with (~~said~~) the bid and furnish  
16 such bond within ten days from the date at which (~~he~~) the bidder is  
17 notified that he or she is the successful bidder, the (~~said~~) check,  
18 cash, or bid bonds and the amount thereof shall be forfeited to the  
19 sewer district.

20 (3) In the event of an emergency when the public interest or  
21 property of the sewer district would suffer material injury or damage  
22 by delay, upon resolution of the board of sewer commissioners, or  
23 proclamation of an official designated by the board to act for the  
24 board during such emergencies, declaring the existence of such  
25 emergency and reciting the facts constituting the same, the board, or  
26 the official acting for the board, may waive the requirements of this  
27 chapter with reference to any purchase or contract. In addition, these  
28 requirements may be waived for purchases which are clearly and  
29 legitimately limited to a single source of supply and purchases  
30 involving special facilities, services, or market conditions, in which

1 instances the purchase price may be best established by direct  
2 negotiation.

3       **Sec. 13.** RCW 56.08.080 and 1989 c 308 s 5 are each amended to read  
4 as follows:

5       The board of commissioners of a sewer district may sell, at public  
6 or private sale, property belonging to the district if the board  
7 determines that the property is not and will not be needed for district  
8 purposes and if the board gives notice of intention to sell as in this  
9 section provided: PROVIDED, That no notice of intention is required to  
10 sell personal property of less than two thousand five hundred dollars  
11 in value.

12       The notice of intention to sell shall be published once a week for  
13 ~~((three))~~ two consecutive weeks in a newspaper of general circulation  
14 in the district. ~~((The last publication shall be at least twenty days  
15 but not more than thirty days before the date of sale.))~~ The notice  
16 shall describe the property and state the time and place at which it  
17 will be sold or offered for sale, the terms of sale, whether the  
18 property is to be sold at public or private sale, and if at public sale  
19 the notice shall call for bids, fix the conditions thereof and shall  
20 reserve the right to reject any and all bids.

21       **Sec. 14.** RCW 56.08.090 and 1989 c 308 s 6 are each amended to read  
22 as follows:

23       (1) Subject to the provisions of subsection (2) of this section, no  
24 real property valued at two thousand five hundred dollars or more of  
25 the district shall be sold for less than ninety percent of the value  
26 thereof as established by a written appraisal made not more than six  
27 months prior to the date of sale by three disinterested real estate  
28 brokers licensed under the laws of the state or professionally

1 designated real estate appraisers as defined in RCW 74.46.020. The  
2 appraisal shall be signed by the appraisers and filed with the  
3 secretary of the board of commissioners of the district, who shall keep  
4 it at the office of the district open to public inspection. Any notice  
5 of intention to sell real property of the district shall recite the  
6 appraised value thereof: PROVIDED, That there shall be no private sale  
7 of real property where the appraised value exceeds the sum of two  
8 thousand five hundred dollars.

9 (2) If no purchasers can be obtained for the property at ninety  
10 percent or more of its appraised value after one hundred ((~~eighty~~))  
11 twenty days of offering the property for sale, the board of  
12 commissioners of the sewer district may adopt a resolution stating that  
13 the district has been unable to sell the property at the ninety percent  
14 amount. The sewer district then may sell the property at the highest  
15 price it can obtain at public auction. A notice of intention to sell  
16 at public auction shall be published once a week for ((~~three~~)) two  
17 consecutive weeks in a newspaper of general circulation in the sewer  
18 district. ((~~The last publication shall be at least twenty days but not~~  
19 ~~more than thirty days before the date of sale.~~)) The notice shall  
20 describe the property, state the time and place at which it will be  
21 offered for sale and the terms of sale, and shall call for bids, fix  
22 the conditions thereof, and reserve the right to reject any and all  
23 bids.

24 **Sec. 15.** RCW 57.08.015 and 1989 c 308 s 7 are each amended to read  
25 as follows:

26 The board of commissioners of a water district may sell, at public  
27 or private sale, property belonging to the district if the board  
28 determines that the property is not and will not be needed for district  
29 purposes and if the board gives notice of intention to sell as in this

1 section provided: PROVIDED, That no such notice of intention shall be  
2 required to sell personal property of less than two thousand five  
3 hundred dollars in value.

4 The notice of intention to sell shall be published once a week for  
5 (~~three~~) two consecutive weeks in a newspaper of general circulation  
6 in the district. (~~The last publication shall be at least twenty days~~  
7 ~~but not more than thirty days before the date of sale.~~) The notice  
8 shall describe the property and state the time and place at which it  
9 will be sold or offered for sale, the terms of sale, whether the  
10 property is to be sold at public or private sale, and if at public sale  
11 the notice shall call for bids, fix the conditions thereof and shall  
12 reserve the right to reject any and all bids.

13 **Sec. 16.** RCW 57.08.016 and 1989 c 308 s 8 are each amended to read  
14 as follows:

15 (1) Subject to the provisions of subsection (2) of this section, no  
16 real property valued at two thousand five hundred dollars or more of  
17 the district shall be sold for less than ninety percent of the value  
18 thereof as established by a written appraisal made not more than six  
19 months prior to the date of sale by three disinterested real estate  
20 brokers licensed under the laws of the state or professionally  
21 designated real estate appraisers as defined in RCW 74.46.020. The  
22 appraisal shall be signed by the appraisers and filed with the  
23 secretary of the board of commissioners of the district, who shall keep  
24 it at the office of the district open to public inspection. Any notice  
25 of intention to sell real property of the district shall recite the  
26 appraised value thereof: PROVIDED, That there shall be no private sale  
27 of real property where the appraised value exceeds the sum of two  
28 thousand five hundred dollars.

1 (2) If no purchasers can be obtained for the property at ninety  
2 percent or more of its appraised value after one hundred (~~eighty~~)  
3 twenty days of offering the property for sale, the board of  
4 commissioners of the water district may adopt a resolution stating that  
5 the district has been unable to sell the property at the ninety percent  
6 amount. The water district then may sell the property at the highest  
7 price it can obtain at public auction. A notice of intention to sell  
8 at public auction shall be published once a week for (~~three~~) two  
9 consecutive weeks in a newspaper of general circulation in the water  
10 district. (~~The last publication shall be at least twenty days but not~~  
11 ~~more than thirty days before the date of sale.~~) The notice shall  
12 describe the property, state the time and place at which it will be  
13 offered for sale and the terms of sale, and shall call for bids, fix  
14 the conditions thereof, and reserve the right to reject any and all  
15 bids.

16 **Sec. 17.** RCW 57.08.050 and 1989 c 105 s 2 are each amended to read  
17 as follows:

18 (1) The board of water commissioners shall have authority to create  
19 and fill such positions and fix salaries and bonds thereof as it may by  
20 resolution provide.

21 (2) All materials purchased and work ordered, the estimated cost of  
22 which is in excess of five thousand dollars shall be let by contract.  
23 All contract projects, the estimated cost of which is less than fifty  
24 thousand dollars, may be awarded to a contractor (~~on the~~) using a  
25 small works roster(~~. The small works roster shall be comprised of all~~  
26 ~~responsible contractors who have requested to be on the list~~) process  
27 provided in RCW 39.04.155 or the process provided in RCW 39.04.190 for  
28 purchases. The board of water commissioners may set up uniform  
29 procedures to prequalify contractors for inclusion on the small works

1 roster. (~~The board of water commissioners shall authorize by~~  
2 ~~resolution a procedure for securing telephone and/or written quotations~~  
3 ~~from the contractors on the small works roster to assure establishment~~  
4 ~~of a competitive price and for awarding contracts to the lowest~~  
5 ~~responsible bidder. Such procedure shall require that a good faith~~  
6 ~~effort be made to request quotations from all contractors on the small~~  
7 ~~works roster. Immediately after an award is made, the bid quotations~~  
8 ~~obtained shall be recorded, open to public inspection, and available by~~  
9 ~~telephone inquiry. The small works roster shall be revised once a~~  
10 ~~year.)) All contract projects equal to or in excess of fifty thousand~~  
11 ~~dollars shall be let by competitive bidding. Before awarding any such~~  
12 ~~contract the board of water commissioners shall ((cause)) publish a~~  
13 ~~notice ((to be published)) in a newspaper ((in)) of general circulation~~  
14 ~~where the district is located at least once ten days before the letting~~  
15 ~~of such contract, inviting sealed proposals for such work, plans and~~  
16 ~~specifications which must at the time of publication of such notice be~~  
17 ~~on file in the office of the board of water commissioners subject to~~  
18 ~~public inspection. Such notice shall state generally the work to be~~  
19 ~~done and shall call for proposals for doing the same to be sealed and~~  
20 ~~filed with the board of water commissioners on or before the day and~~  
21 ~~hour named therein.~~

22 (3) Each bid shall be accompanied by a certified or cashier's check  
23 or postal money order payable to the order of the county treasurer for  
24 a sum not less than five percent of the amount of the bid, or  
25 accompanied by a bid bond in an amount not less than five percent of  
26 the bid with a corporate surety licensed to do business in the state,  
27 conditioned that the bidder will pay the district as liquidated damages  
28 the amount specified in the bond, unless ((he)) the bidder enters into  
29 a contract in accordance with his or her bid, and no bid shall be  
30 considered unless accompanied by such check, cash or bid bond. At the

1 time and place named such bids shall be publicly opened and read and  
2 the board of water commissioners shall proceed to canvass the bids and  
3 may let such contract to the lowest responsible bidder upon plans and  
4 specifications on file or to the best bidder submitting his or her own  
5 plans and specifications: PROVIDED, That no contract shall be let in  
6 excess of the cost of (~~said~~) the materials or work, or if in the  
7 opinion of the board of water commissioners all bids are unsatisfactory  
8 they may reject all of them and readvertise and in such case all  
9 checks, cash or bid bonds shall be returned to the bidders. If such  
10 contract be let, then all checks, cash or bid bonds shall be returned  
11 to the bidders, except that of the successful bidder, which shall be  
12 retained until a contract shall be entered into for the purchase of  
13 such materials or doing such work, and a bond to perform such work  
14 furnished with sureties satisfactory to the board of water  
15 commissioners in the full amount of the contract price between the  
16 bidder and the commission in accordance with the bid. If (~~said~~) the  
17 bidder fails to enter into (~~said~~) the contract in accordance with  
18 (~~said~~) the bid and furnish such bond within ten days from the date at  
19 which (~~he~~) the bidder is notified that he or she is the successful  
20 bidder, the (~~said~~) check, cash or bid bonds and the amount thereof  
21 shall be forfeited to the water district: PROVIDED, That if the bidder  
22 fails to enter into a contract in accordance with his or her bid, and  
23 the board of water commissioners deems it necessary to take legal  
24 action to collect on any bid bond required herein, then the water  
25 district shall be entitled to collect from (~~said~~) the bidder any  
26 legal expenses, including reasonable attorneys' fees occasioned  
27 thereby.

28 (4) In the event of an emergency when the public interest or  
29 property of the water district would suffer material injury or damage  
30 by delay, upon resolution of the board of water commissioners, or

1 proclamation of an official designated by the board to act for the  
2 board during such emergencies, declaring the existence of such  
3 emergency and reciting the facts constituting the same, the board, or  
4 official acting for the board, may waive the requirements of this  
5 chapter with reference to any purchase or contract. In addition, these  
6 requirements may be waived for purchases which are clearly and  
7 legitimately limited to a single source of supply and purchases  
8 involving special facilities, services, or market conditions, in which  
9 instances the purchase price may be best established by direct  
10 negotiation.

11 **Sec. 18.** RCW 70.44.140 and 1965 c 83 s 1 are each amended to read  
12 as follows:

13 (1) All materials purchased and work ordered, the estimated cost of  
14 which is in excess of five thousand dollars, shall be by contract.  
15 Before awarding any such contract, the commission shall ~~((cause to be  
16 published))~~ publish a notice at least ~~((thirty))~~ ten days before the  
17 letting of ~~((said))~~ the contract, inviting sealed proposals for such  
18 work~~((7))~~. The plans and specifications ~~((which))~~ must at the time of  
19 the publication of such notice be on file at the office of the public  
20 hospital district, subject to public inspection: PROVIDED, HOWEVER,  
21 That the commission may at the same time, and as part of the same  
22 notice, invite tenders for ~~((said))~~ the work or materials upon plans  
23 and specifications to be submitted by bidders. ~~((Such))~~ The notice  
24 shall state generally the work to be done, and shall call for proposals  
25 for doing the same, to be sealed and filed with the commission on or  
26 before the day and hour named therein. Each bid shall be accompanied  
27 by bid proposal security in the form of a certified check, cashier's  
28 check, postal money order, or surety bond made payable to the order of  
29 the commission, for a sum not less than five percent of the amount of

1 the bid, and no bid shall be considered unless accompanied by such bid  
2 proposal security. At the time and place named, such bids shall be  
3 publicly opened and read, and the commission shall proceed to canvass  
4 the bids, and may let such contract to the lowest responsible bidder  
5 upon plans and specifications on file, or to the best bidder submitting  
6 his or her own plans and specifications: PROVIDED, HOWEVER, That no  
7 contract shall be let in excess of the estimated cost of ((said)) the  
8 materials or work, or if, in the opinion of the commission, all bids  
9 are unsatisfactory, they may reject all of them and readvertise, and in  
10 such case all bid proposal security shall be returned to the bidders;  
11 but if such contract be let, then and in such case all bid proposal  
12 security shall be returned to the bidders, except that of the  
13 successful bidder, which shall be retained until a contract shall be  
14 entered into for the purchase of such materials for doing such work,  
15 and a bond to perform such work furnished, with sureties satisfactory  
16 to the commission, in an amount to be fixed by the commission, not less  
17 than twenty-five percent of contract price in any case, between the  
18 bidder and commission, in accordance with the bid. If such bidder  
19 fails to enter into ((said)) the contract in accordance with ((said))  
20 the bid and furnish such bond within ten days from the date at which  
21 ((he)) the bidder is notified that he or she is the successful bidder,  
22 the ((said)) bid proposal security and the amount thereof shall be  
23 forfeited to the public hospital district.

24 (2) In lieu of the procedures of subsection (1) of this section, a  
25 public hospital district may use a small works roster process and award  
26 public works contracts for projects in excess of five thousand dollars  
27 up to fifteen thousand dollars as provided in RCW 39.04.155.

28 (3) For advertisement and formal sealed bidding to be dispensed  
29 with as to purchases between five thousand and fifteen thousand  
30 dollars, the commission must authorize by resolution a procedure as

1 provided in RCW 39.04.190.