

HOUSE BILL REPORT

HB 1731

As Passed House
January 21, 1994

Title: An act relating to public works or improvements for electrical distribution and generating systems.

Brief Description: Exempting certain public works involving electrical generating systems from bid laws.

Sponsors: Representatives Jones, Chandler, Kessler and Brumsickle.

Brief History:

Reported by House Committee on:
Local Government, March 1, 1993, DP;
Passed House, March 15, 1993, 89-8;
Passed House, January 21, 1994, 77-15.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 10 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Rayburn; Romero; Springer; and Zellinsky.

Minority Report: Do not pass. Signed by 2 members: Representatives Horn; and Van Luven.

Staff: Bill Lynch (786-7092).

Background: First class cities do not have to comply with competitive bidding or day labor reporting requirements with respect to public works that relate solely to electrical distribution and generating systems on public rights of way or on municipally owned property. It is suggested that other size cities should be exempted from competitive bidding requirements for similar work.

Customers of an electrical utility owned by a first class city that are directly assessed for service installation charges, may with the written approval of the city utility, contract with a qualified electrical contractor to perform the installation. The utility must provide the reasons for any denial in writing. If the customer does hire an electrical contractor to perform the installation of the

service, the city utility is immune from any tort claims arising out of the contractor's installation of the service. It is suggested that the ability to hire an electrical contractor to perform service installation should be expanded to customers of utilities owned by other classes of cities.

Summary of Bill: Code cities with a population of 20,000 or more are not required to comply with competitive bidding or day labor reporting requirements with respect to public works that relate solely to electrical distribution and generating systems on public rights of way or on municipally owned property.

Second class cities, third class cities, and towns are not subject to competitive bidding requirements with respect to public works that relate solely to electrical distribution and generating systems on public rights of way or on municipally owned property, if the work does not exceed \$50,000. The value of individual items of equipment purchased or acquired and used as one unit of a project are not included toward this \$50,000 threshold.

A customer of an electrical utility owned by a second class city, third class city, code city, or town that directly assesses its customers a service installation charge for a temporary, permanent, or expanded service, may contract with a qualified electrical contractor to install the material or equipment if approved by the city or town. If the city or town denies the customer's request to hire an electrical contractor to perform the installation, then it must provide to the customer, in writing, the reasons for the denial. The electrical contractor is solely responsible for any damages resulting from the installation of the service, and the electrical utility is immune from any tort claims associated with that installation.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: In rural areas there are no electrical contractors qualified to work on systems with such high wattage, and for contractors to come from outside the state or long distances would incur additional costs for the city. We are able to construct such projects with our in-house work force at less cost.

Testimony Against: This is taking work away from the private sector. The private sector can do the work cheaper than the municipality.

Witnesses: (pro): Jim Justin, Association of Washington Cities; Bull Cummings, Centralia City Light; Bob Titus, Port Angeles City Light; and Richard Wickwire, city of Ellensburg.

(con): Larry Stevens, National Electrical Contractors Association; and Doug Bohlke, Electrical Subcontractors Association.