

HOUSE BILL REPORT

HB 2652

As Reported By House Committee On:
Local Government

Title: An act relating to limitations on local government day labor projects and contracts for purchases and public works projects.

Brief Description: Revising provisions relating to limitations on local government day labor projects and contracts for purchases and public works projects.

Sponsors: Representatives Springer, Edmondson, Dunshee, H. Myers, Morris, Chappell, Finkbeiner, Zellinsky, R. Meyers, Mastin, Karahalios and R. Fisher.

Brief History:

Reported by House Committee on:
Local Government, February 4, 1994, DPS.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives H. Myers, Chair; Springer, Vice Chair; Edmondson, Ranking Minority Member; Dunshee; Moak and Rayburn.

Minority Report: Do not pass. Signed by 5 members: Representatives Reams, Assistant Ranking Minority Member; R. Fisher; Horn; Van Luven and Zellinsky.

Staff: Steve Lundin (786-7127).

Background:

Code cities with populations of 20,000 or more and first class cities are subject to the same statute providing that no more than 10 percent of the dollar value of public works projects in such cities may be performed by public employees in any annual or biennial budget period. In addition:

- o Where such a city has a population in excess of 150,000, public employees may not perform a public works project in excess of \$50,000 if more than a single craft or trade is involved, or in excess of \$25,000 if a single craft or

trade is involved or for street signalization or street lighting.

- o Where such a city has a population of from 20,000 to 150,000, public employees may not perform a public works project in excess of \$35,000 if more than a single craft or trade is involved, or in excess of \$20,000 if a single craft, or trade is involved or for street signalization or street lighting.

All other cities and towns are subject to the same day labor and purchasing bid limitations. Public employees of such cities and towns may not perform public works projects in excess of \$30,000 if more than a single craft or trade is involved, or in excess of \$20,000 if a single craft or trade is involved, or the public works project is street signalization or street lighting. These cities and towns must purchase nonprofessional services using competitive bidding procedures.

A public utility district may purchase materials, equipment, or supplies of a value of up to \$15,000 using a modified competitive bidding procedure.

Summary of Substitute Bill: The dollar value of a public works project that public employees may perform in any city or town with a population of less than 150,000 is increased to \$40,000 for projects involving multiple trade and \$25,000 for single trades or street lighting or signalization.

The maximum value of materials, supplies, and equipment is increased to \$25,000 that a public utility district may purchase using a modified competitive bidding procedure.

Substitute Bill Compared to Original Bill: The value of multiple craft projects was reduced from \$50,000 to \$40,000. An annual inflation was eliminated. The PUD provision was added.

Fiscal Note: Not requested.

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

Testimony For: Cities and towns need flexibility to provide the most cost effective facilities. They are very prudent when using public employees to construct projects. Public utility districts will save money by increasing the value of purchases that may be made using a modified competitive bidding procedure.

Testimony Against: (original bill): The purpose of government is to provide jobs for construction companies. Private companies are more efficient and pay taxes.

Witnesses: (Pro:) David Webb, Snohomish County PUD No. 1; Carl McCrary, city of Kalama; Sam Kinville, County and City Employees Union; Jim Justin, Association of Washington Cities; and Jim Ajax, city of Pasco.

(Con:) Larry Stevens, United Subcontractors Association; Tom Knox, National Electrical Contractors Association; Joe Devish, Madsen Electric; Brian Garvey, Mechanical Contractors Association; Duke Schaub, Associated General Contractors; Susan Garrison, UDL, Inc.; Steven Washburn, National Electrical Contractors Association; Cal Nicodemus, citizen; Terry Deeny, Deeny Construction Company; and Dick Ducharme, Utility Contractors Association.