

SENATE BILL REPORT

HB 1731

AS OF FEBRUARY 15, 1994

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

SPONSORS: Representatives Jones, Chandler, Kessler and Brumsickle

HOUSE COMMITTEE ON LOCAL GOVERNMENT

SENATE COMMITTEE ON ENERGY & UTILITIES

Staff: Scott Huntley (786-7421)

Hearing Dates: March 29, 1993; April 1, 1993; February 21, 1994

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 exempt 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:

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.

Appropriation: none

Revenue: none

Fiscal Note: requested February 15, 1994