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HOUSE BILL 1066

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State of Washington

53rd Legislature

1993 Regular Session

By Representatives Bray, Edmondson and H. Myers

Read first time 01/13/93. Referred to Committee on Local Government.

1 AN ACT Relating to awarding contracts by water or sewer districts;  
2 and amending RCW 56.08.070 and 57.08.050.

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

4 **Sec. 1.** RCW 56.08.070 and 1989 c 105 s 1 are each amended to read  
5 as follows:

6 (1) All materials purchased and work ordered, the estimated cost of  
7 which is in excess of five thousand dollars shall be let by contract.  
8 All contract projects, the estimated cost of which is less than fifty  
9 thousand dollars, may be awarded to a contractor on the small works  
10 roster. The small works roster shall be comprised of all responsible  
11 contractors who have requested to be on the list. The board of sewer  
12 commissioners may set up uniform procedures to prequalify contractors  
13 for inclusion on the small works roster. The board of sewer  
14 commissioners shall authorize by resolution a procedure for securing  
15 telephone and/or written quotations from the contractors on the small  
16 works roster to assure establishment of a competitive price and for  
17 awarding contracts to the lowest responsible bidder. Such procedure  
18 shall require that a good faith effort be made to request quotations  
19 from all contractors on the small works roster. Immediately after an

1 award is made, the bid quotations obtained shall be recorded, open to  
2 public inspection, and available by telephone inquiry. The small works  
3 roster shall be revised once a year. All contract projects equal to or  
4 in excess of fifty thousand dollars shall be let by competitive  
5 bidding. Before awarding any competitive contract the board of sewer  
6 commissioners shall cause a notice to be published in a newspaper in  
7 general circulation where the district is located at least once, ten  
8 days before the letting of such contract, inviting sealed proposals for  
9 such work, plans and specifications which must at the time of  
10 publication of such notice be on file in the office of the board of  
11 sewer commissioners subject to public inspection. Such notice shall  
12 state generally the work to be done and shall call for proposals for  
13 doing the same to be sealed and filed with the board of sewer  
14 commissioners on or before the day and hour named therein.

15 (2) Each bid shall be accompanied by a bid proposal deposit in the  
16 form of a certified check, cashier's check, postal money order, or  
17 surety bond payable to the order of the county treasurer for a sum not  
18 less than five percent of the amount of the bid and no bid shall be  
19 considered unless accompanied by such bid proposal deposit. At the  
20 time and place named such bids shall be publicly opened and read and  
21 the board of sewer commissioners shall proceed to canvass the bids and  
22 may let such contract to the lowest responsible bidder upon plans and  
23 specifications: PROVIDED, That no contract shall be let in excess of  
24 the cost of ~~((said))~~ the materials or work(~~(, or if in the opinion~~  
25 ~~of)).~~ The board of sewer commissioners ~~((all bids are unsatisfactory~~  
26 ~~they))~~ may reject all ~~((of them))~~ bids for good cause and readvertise  
27 and in such case all checks, cash or bid bonds shall be returned to the  
28 bidders. If such contract be let, then all checks, cash or bid bonds  
29 shall be returned to the bidders, except that of the successful bidder,  
30 which shall be retained until a contract shall be entered into for the  
31 purchase of such materials or doing such work, and a bond to perform  
32 such work furnished with sureties satisfactory to the board of sewer  
33 commissioners in the full amount of the contract price between the  
34 bidder and the commission in accordance with bid. If ~~((said))~~ the  
35 bidder fails to enter into ~~((said))~~ the contract in accordance with  
36 ~~((said))~~ the bid and furnish such bond within ten days from the date at  
37 which he or she is notified that he or she is the successful bidder,  
38 the ~~((said))~~ check, cash or bid bonds and the amount thereof shall be  
39 forfeited to the sewer district.

1 (3) In the event of an emergency when the public interest or  
2 property of the sewer district would suffer material injury or damage  
3 by delay, upon resolution of the board of sewer commissioners, or  
4 proclamation of an official designated by the board to act for the  
5 board during such emergencies, declaring the existence of such  
6 emergency and reciting the facts constituting the same, the board, or  
7 the official acting for the board, may waive the requirements of this  
8 chapter with reference to any purchase or contract. In addition, these  
9 requirements may be waived for purchases which are clearly and  
10 legitimately limited to a single source of supply and purchases  
11 involving special facilities, services, or market conditions, in which  
12 instances the purchase price may be best established by direct  
13 negotiation.

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

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

19 (2) All materials purchased and work ordered, the estimated cost of  
20 which is in excess of five thousand dollars shall be let by contract.  
21 All contract projects, the estimated cost of which is less than fifty  
22 thousand dollars, may be awarded to a contractor on the small works  
23 roster. The small works roster shall be comprised of all responsible  
24 contractors who have requested to be on the list. The board of water  
25 commissioners may set up uniform procedures to prequalify contractors  
26 for inclusion on the small works roster. The board of water  
27 commissioners shall authorize by resolution a procedure for securing  
28 telephone and/or written quotations from the contractors on the small  
29 works roster to assure establishment of a competitive price and for  
30 awarding contracts to the lowest responsible bidder. Such procedure  
31 shall require that a good faith effort be made to request quotations  
32 from all contractors on the small works roster. Immediately after an  
33 award is made, the bid quotations obtained shall be recorded, open to  
34 public inspection, and available by telephone inquiry. The small works  
35 roster shall be revised once a year. All contract projects equal to or  
36 in excess of fifty thousand dollars shall be let by competitive  
37 bidding. Before awarding any such contract the board of water  
38 commissioners shall cause a notice to be published in a newspaper in

1 general circulation where the district is located at least once ten  
2 days before the letting of such contract, inviting sealed proposals for  
3 such work, plans and specifications which must at the time of  
4 publication of such notice be on file in the office of the board of  
5 water commissioners subject to public inspection. Such notice shall  
6 state generally the work to be done and shall call for proposals for  
7 doing the same to be sealed and filed with the board of water  
8 commissioners on or before the day and hour named therein.

9 (3) Each bid shall be accompanied by a certified or cashier's check  
10 or postal money order payable to the order of the county treasurer for  
11 a sum not less than five percent of the amount of the bid, or  
12 accompanied by a bid bond in an amount not less than five percent of  
13 the bid with a corporate surety licensed to do business in the state,  
14 conditioned that the bidder will pay the district as liquidated damages  
15 the amount specified in the bond, unless ((he)) the bidder enters into  
16 a contract in accordance with his or her bid, and no bid shall be  
17 considered unless accompanied by such check, cash or bid bond. At the  
18 time and place named such bids shall be publicly opened and read and  
19 the board of water commissioners shall proceed to canvass the bids and  
20 may let such contract to the lowest responsible bidder upon plans and  
21 specifications on file or to the best bidder submitting his or her own  
22 plans and specifications: PROVIDED, That no contract shall be let in  
23 excess of the cost of ((said)) the materials or work((, or if in the  
24 ~~opinion of~~)). The board of water commissioners ((all bids are  
25 ~~unsatisfactory they~~)) may reject all ((of them)) bids for good cause  
26 and readvertise and in such case all checks, cash or bid bonds shall be  
27 returned to the bidders. If such contract be let, then all checks,  
28 cash or bid bonds shall be returned to the bidders, except that of the  
29 successful bidder, which shall be retained until a contract shall be  
30 entered into for the purchase of such materials or doing such work, and  
31 a bond to perform such work furnished with sureties satisfactory to the  
32 board of water commissioners in the full amount of the contract price  
33 between the bidder and the commission in accordance with the bid. If  
34 ((said)) the bidder fails to enter into ((said)) the contract in  
35 accordance with ((said)) the bid and furnish such bond within ten days  
36 from the date at which he or she is notified that he or she is the  
37 successful bidder, the ((said)) check, cash or bid bonds and the amount  
38 thereof shall be forfeited to the water district: PROVIDED, That if  
39 the bidder fails to enter into a contract in accordance with ((his))

1 the bid, and the board of water commissioners deems it necessary to  
2 take legal action to collect on any bid bond required herein, then the  
3 water district shall be entitled to collect from (~~said~~) the bidder  
4 any legal expenses, including reasonable attorneys' fees occasioned  
5 thereby.

6 (4) In the event of an emergency when the public interest or  
7 property of the water district would suffer material injury or damage  
8 by delay, upon resolution of the board of water commissioners, or  
9 proclamation of an official designated by the board to act for the  
10 board during such emergencies, declaring the existence of such  
11 emergency and reciting the facts constituting the same, the board, or  
12 official acting for the board, may waive the requirements of this  
13 chapter with reference to any purchase or contract. In addition, these  
14 requirements may be waived for purchases which are clearly and  
15 legitimately limited to a single source of supply and purchases  
16 involving special facilities, services, or market conditions, in which  
17 instances the purchase price may be best established by direct  
18 negotiation.

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