

HOUSE BILL REPORT

HB 1642

As Reported By House Committee On:
Government Administration

Title: An act relating to bid requirements for water-sewer districts.

Brief Description: Changing bidding for water-sewer districts.

Sponsors: Representatives D. Sommers, Scott, Wolfe, D. Schmidt, Wensman and Dunn.

Brief History:

Committee Activity:

Government Administration: 2/14/97, 3/4/97 [DPS].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Doumit; Dunn; Reams; Smith; L. Thomas; Wensman and Wolfe.

Minority Report: Do not pass. Signed by 3 members: Representatives Gardner, Assistant Ranking Minority Member; Dunshee and Murray.

Staff: Bill Lynch (786-7092).

Background: Water-sewer districts must follow certain procedures when awarding contracts for purchases or public works. If a contract for a public works project has an estimated value of more than \$5,000 it must be let by contract. If a contract for the purchase of materials, supplies, or equipment has an estimated value of more than \$10,000, it must be awarded by contract. If the contract for purchases has an estimated value of \$5,000 to less than \$50,000, it may be awarded pursuant to either a small works roster process or formal competitive bidding. It has been suggested that these thresholds should be adjusted.

Summary of Substitute Bill: The threshold for requiring a public works project to be let by contract is raised from \$5,000 to \$10,000. A water-sewer district may use the uniform process to award contracts for purchases when the contract has an estimated cost from \$10,000 to less than \$50,000.

The cost of a project is the aggregate amount to be paid for all labor, materials, supplies, and equipment of a continuous or interrelated project if the work is to be performed simultaneously or in close sequence.

Substitute Bill Compared to Original Bill: Language that created a separate bid limit for the purchase of labor is deleted. The threshold for requiring a public works project to be let by contract is raised from \$5,000 to \$10,000. A definition is added for public works projects. Technical changes are made.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The cost of contract administration is growing. It makes sense to adjust the dollar threshold amounts.

Testimony Against: (original) Bid limit statutes should not separate out labor from the rest of the project costs.

Testified: Steve Lindstrom, Sno-King Water District Coalition; and Dick Ducharme, Utility Contractors Association of Washington (with amendments).