

HOUSE BILL REPORT

HB 1808

As Reported By House Committee On:
Government Administration

Title: An act relating to public works projects for state agencies.

Brief Description: Requiring public works projects over five thousand dollars for state agencies to be contracted by public notice and competitive bid or small works roster.

Sponsors: Representatives D. Sommers, D. Schmidt, Sherstad and Dunn.

Brief History:

Committee Activity:

Government Administration: 2/28/97, 3/5/97 [DPS].

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Dunn; Reams; Smith; L. Thomas and Wensman.

Minority Report: Do not pass. Signed by 6 members: Representatives Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunshee; Murray and Wolfe.

Staff: Bill Lynch (786-7092).

Background: Public works projects by institutions of higher education with an estimated value of \$25,000 or more must be let by contract. Projects with an estimated value of less than \$25,000 may be awarded in any fashion, or may be done in-house. If the estimated value of the project is less than \$100,000 the contract may be awarded through a small works roster. Projects with an estimated value of \$100,000 or more must be let through formal competitive bidding procedures.

State agencies may use a small works roster to award public works contracts with an estimated value of \$100,000 or less. If a public works project has an estimated value of more than \$100,000, it must be awarded through a formal competitive bidding process. Although the statutes provide a certain exception from competitive bidding and the small works roster process for contracts with an estimated value over

\$25,000, there is no express dollar threshold which specifies when state agencies must let public works projects by contract.

Summary of Substitute Bill: Any public work by a state agency, other than the Department of Transportation or an institution of higher education, with an estimated cost in excess of \$20,000 must be let by contract either through a small works roster or formal competitive bidding. The public work includes the cost of materials, supplies, equipment, and labor.

Substitute Bill Compared to Original Bill: The dollar threshold for when public works by state agencies must be done by contract is raised from \$5,000 to \$20,000. The original bill did not exempt institutions of higher education or the Department of Transportation.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This is an opportunity to reduce the size of government by letting more private sector businesses do the work in-house employees are performing. Private contractors are paying taxes to support their competition.

Testimony Against: This will raise the cost of projects because prevailing wage is higher than state employee wages. Projects done in-house can be done much quicker than through the bidding process. The current practice is to use in-house employees for small jobs.

Testified: Representative Dave Schmidt, prime sponsor; Larry Stevens, United Subcontractors Association; Dave Betschart, Betschart Electric; and Richard A. King, IBCW, 46.

(Concerns) Ron McQueen, Department of General Administration; Kathleen Nicols, University of Washington; and Bill Cahill, Washington Federation of State Employees;