

SENATE BILL REPORT

SB 5782

As Reported By Senate Committee On:
Government Operations, March 4, 1997

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

Brief Description: Changing bidding for water-sewer districts.

Sponsors: Senators Swecker, Haugen, Rasmussen and Fraser.

Brief History:

Committee Activity: Government Operations: 2/27/97, 3/4/97 [DPS].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5782 be substituted therefor, and the substitute bill do pass.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Anderson, Haugen, Horn and Patterson.

Staff: Diane Smith (786-7410)

Background: The bidding statutes for water-sewer districts provide, in part, that all work estimated to cost more than \$5,000 must be awarded by contract and that any purchase of materials, supplies or equipment estimated to exceed \$10,000 must be by contract. In addition, purchases of materials, supplies or equipment estimated to cost from \$5,000 to less than \$50,000 must be made by small works roster or as specified in the water-sewer district chapter for competitive bidding. Purchases of materials, supplies or equipment estimated to cost \$50,000 or more must be made by competitive bidding.

Summary of Substitute Bill: The water-sewer district's ability to use the small works roster for projects estimated to cost in excess of \$10,000 to less than \$50,000 is clarified. Project- is defined to include labor, materials, supplies and equipment. The prohibition on letting contracts for more than cost is removed. Purchases of materials, supplies and equipment exceeding \$10,000 but less than \$50,000 are made under the small works roster statute for purchases or by competitive bidding.

Substitute Bill Compared to Original Bill: The substitute bill reconciles inconsistent references in the statute which were incorporated into the original bill. The substitute bill clarifies that projects estimated to cost in excess of \$10,000 must be let by contract and those exceeding \$10,000 but less than \$50,000 may be let by use of the small works roster. The term project- is defined to include labor, materials, supplies and equipment. The prohibition on letting contracts for more than cost is removed. The references to contracts for purchases of materials, supplies or equipment are conformed to the language for project contracts. The small works roster for purchases must be used if the district chooses not to award the contract for materials, supplies and equipment by competitive bid.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill modernizes the amount of work that can be done in-house or go to the small works roster. It is expensive for the district to go to the small works roster or out to bid. The bill adjusts the dollar threshold for changing times.

Testimony Against: Any increase in the amount of work that districts can do in-house, takes work away from private contractors, especially the small ones. The current statute is not clear on what work is; nor does it allow for the contractor to make a profit.

Testified: Steve Lindstrom, Sno-King Water District Coalition (pro); Larry Stevens, United Subcontractors Association (con); Dick Ducharme, Utility Contractors Association of Washington.