## CERTIFICATION OF ENROLLMENT

## SUBSTITUTE SENATE BILL 5782

55th Legislature 1997 Regular Session

Passed by the Senate March 18, 1997 CERTIFICATE YEAS 48 NAYS 0 I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is SUBSTITUTE SENATE BILL 5782 as passed President of the Senate by the Senate and the House of Representatives on the dates hereon Passed by the House April 14, 1997 set forth. YEAS 94 NAYS 3 Speaker of the Secretary House of Representatives Approved FILED

Governor of the State of Washington

Secretary of State

State of Washington

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## SUBSTITUTE SENATE BILL 5782

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Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senators Swecker, Haugen, Rasmussen and Fraser)

Read first time 03/05/97.

- 1 AN ACT Relating to bid requirements for water-sewer districts; and
- 2 reenacting and amending RCW 57.08.050.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 57.08.050 and 1996 c 230 s 311 and 1996 c 18 s 14 are 5 each reenacted and amended to read as follows:
- 6 (1) All ((work)) projects ordered, the estimated cost of which is
- 7 in excess of ((five)) ten thousand dollars, shall be let by contract.
- 8 The cost of a project is the aggregate amount to be paid for all labor,
- 9 materials, supplies, and equipment of a continuous or interrelated
- 10 project if the work is to be performed simultaneously or in close
- 11 <u>sequence</u>. All contract projects, the estimated cost of which is <u>in</u>
- 12 excess of ten thousand dollars but less than fifty thousand dollars,
- 13 may be awarded to a contractor using the small works roster process
- 14 provided in RCW 39.04.155. The board of commissioners may set up
- 15 uniform procedures to prequalify contractors for inclusion on the small
- 16 works roster. All contract projects equal to or in excess of fifty
- 17 thousand dollars shall be let by competitive bidding. Before awarding
- 18 any such contract the board of commissioners shall publish a notice in
- 19 a newspaper of general circulation where the district is located at

least once thirteen days before the last date upon which bids will be 1 inviting sealed proposals for such work, plans and 2 specifications ((which)). The work plans and specifications must at 3 4 the time of publication of such notice be on file in the office of the board of commissioners and be subject to ((the)) public inspection. 5 The notice shall state generally the work to be done and shall call for 6 7 proposals for doing the same to be sealed and filed with the board of 8 water commissioners on or before the day and hour named therein.

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

expenses, including reasonable attorneys' fees occasioned thereby. A low bidder who claims error and fails to enter into a contract is prohibited from bidding on the same project if a second or subsequent call for bids is made for the project.

5 (2) Any purchase of materials, supplies, or equipment, with an 6 estimated cost in excess of ten thousand dollars, shall be by contract. 7 Any purchase of materials, supplies, or equipment, with an estimated 8 cost ((of from five)) in excess of ten thousand dollars ((to)) but less 9 than fifty thousand dollars shall be made using the process provided in 10 RCW ((39.04.155)) 39.04.190 or by competitive bidding following the procedure for letting contracts for projects under subsection (1) of 11 this section. Any purchase of materials, supplies, or equipment with 12 an estimated cost of fifty thousand dollars or more shall be made by 13 14 competitive bidding following the procedure for letting contracts for 15 projects under subsection (1) of this section.

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

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