

HOUSE BILL REPORT

HB 1071

As Reported By House Committee On:

State Government

Title: An act relating to limited public works.

Brief Description: Creating a limited public works process.

Sponsors: Representatives Romero and D. Schmidt; by request of Alternative Public Works Methods Oversight Committee.

Brief History:

Committee Activity:

State Government: 1/26/99, 2/17/99 [DPS].

Brief Summary of Substitute Bill

- Creates a new procedure, called the limited public works procedure, for some state agencies and most local governments to award contracts for construction and repair projects with an estimated cost of less than \$35,000.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives McMorris, Republican Co-Chair; Romero, Democratic Co-Chair; Miloscia, Democratic Vice Chair; Dunshee; Haigh; Lambert and D. Schmidt.

Minority Report: Do not pass. Signed by 1 member: Representative Campbell, Republican Vice Chair.

Staff: Steve Lundin (786-7127).

Background:

Differing procedures are established for state agencies and various local governments to award contracts for public works projects. Frequently, contracts for public works projects of a relatively small estimated cost are awarded in any manner, contracts for

public works of a medium estimated cost may be awarded to the lowest responsible bidder using a small works roster process, and contracts for public works of a higher estimated cost are awarded to the lowest responsible bidder using a formal competitive bidding process with sealed bids.

In most instances, the general contractor on a public works project is required to post a performance bond to faithfully perform all work under the contract and to pay laborers, materialmen, and subcontractors. In most instances retainage is required on public works contracts where the public entity retains up to 5 percent of the contract amount from the general contractor for 45 days after completion of the project as a trust fund for payment of laborers, subcontractors, materialmen and excise taxes that are imposed on the project.

Summary of Substitute Bill:

The limited public works procedure is authorized for the Department of General Administration, the Department of Fish and Wildlife, the Department of Natural Resources, the State Parks and Recreation Commission, and most local governments to award any contract for work, construction, alteration, repair, or improvement projects with estimated costs of less than \$35,000.

Under this new procedure the government entity solicits electronic or written quotations for the project from at least three contractors, including a certified minority or women-owned contractor. The government entity may be award the contract to the lowest quotation, even if only one quotation is received, or may reject all quotations. An attempt must be made to equitably distribute opportunities for these contracts among contractors willing to perform in the geographic area of the work. A list must be maintained of the contracts awarded under this process.

The government entity using the limited public works process may waive performance bond requirements and retainage requirements, but the government shall have a right of recovery against the contractor for any payments it makes on behalf of the contractor.

Substitute Bill Compared to Original Bill:

It is clarified for local governments that the limited public works procedure is a type of small works roster procedure that may be used for smaller valued projects.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (Original bill) This is a new alternative procedure that streamlines the process of awarding smaller valued projects. The existing small works roster process works well in larger markets where there are a number of contractors, but does not work well in remote communities. This lets the local administrator call local contractors and get bids. This is less formal and quicker. This removes a lot of administrative costs on small projects. Safeguards are in place.

Testimony Against: None.

Testified: (Original bill) Richard Little, Bellingham resident; Fred King and Rodney Eng, Alternative Public Works Methods Oversight Committee; and Jim King, Coalition for Parks and Recreation.