

# HOUSE BILL ANALYSIS

## HB 2538

**Title:** AN ACT Relating to small works rosters.

**Brief Description:** Creating small works roster provision to award public works contracts.

**Sponsors:** Miloscia, Schmidt, D.

### BRIEF SUMMARY

- Establishes uniform procedures and requirements for state agencies and various local governments to award contracts using the small works roster process.
- Increases the maximum dollar value of contracts to \$200,000 that state agencies and various local governments may award using the small works roster process.

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### HOUSE STATE GOVERNMENT COMMITTEE

**Staff:** Steve Lundin (786-7127)

#### BACKGROUND:

Since the early 1980's a number of separate statutes have been enacted authorizing various state agencies, and different local governments, to award public works contracts of up to a certain dollar value using a small works roster of contractors rather than advertising and formal competitive bidding. Details in these statutes vary, but generally the government solicits bids from either all, or at least five, contractors who have requested to be listed on a small works roster and the contract, if awarded, is awarded to the lowest responsive and responsible bidder.

Separate statutes exist authorizing the use of small works rosters by: (1) Most state agencies; (2) four-year institutions of higher education; (3) school districts; (4) housing authorities; (5) irrigation districts; and (6) many other local governments, such as counties, cities, port districts, and fire protection districts, under a common statute for these local governments, but the maximum value of a contract that may be awarded varies from less than \$10,000 for fire protection districts to \$200,000 for port districts.

#### SUMMARY:

A single small works roster statute with common procedures and provisions is

established for awarding contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property.

All state agencies, including institutions of higher education, currently authorized to use a small works roster may use this common statute to award contracts. All local governments currently authorized to use a small works roster, other than irrigation districts, may use this common statute to award contracts. Irrigation districts continue to follow their own statute.

A uniform maximum amount of a contract that may be awarded using this process is established at \$200,000. This increases the maximum amount from \$100,000 for state agencies, counties, cities, towns, and public utility districts. This increases the maximum amount from \$50,000 for school districts, water-sewer districts, and public hospital districts. This increases the maximum amount for housing authorities from \$40,000. This increases the maximum amount for fire protection districts from \$10,000.

A single, general small works roster may be established or small works rosters may be established for different specialties or categories of anticipated work. Where applicable, small works rosters may make distinctions between contractors based upon different geographic areas served by the contractors.

Procedures for securing telephone, written, or electronic quotations from contractors on the applicable small works roster must assure that a competitive price is established and that contracts are awarded to the lowest responsive and responsible bidder. Bids must be solicited from either all contractors on the appropriate roster or from at least five contractors on the appropriate roster who have indicated the capability of performing the kind of work being contracted in a manner that will equitably distribute the opportunity among those contractors.

Contractors on a small works roster may be required to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters as a condition of being placed on a small works roster. Master contracts may be required to be signed that become effective when a specific award is made.

A state agency establishing a small works roster or rosters must adopt rules, and a local government establishing a small works roster or rosters must adopt an ordinance or resolution, implementing the requirements of the law. An inter-local agreement or contract establishing a small works roster or rosters to be used by the parties to the agreement must clearly identify the lead entity responsible for maintaining the small works roster. One or more school districts may authorize an education service district to establish and operate a small works roster for the school district or districts.

Staging, or the breaking of any project into units or by phases, is prohibited if done to avoid the maximum dollar amount of a contract that may be awarded using the small works roster process.

A state agency or local government using the small works roster process must make the list of contracts awarded under that process at least once every year.

The Department of Community, Trade, and Economic Development, in cooperation with the Municipal Research and Services Center, must prepare a small works roster manual and periodically notify different types of local government authorized to use this process about their authority.

The Independent Oversight Committee on alternative public works is required to make a report on the use of the small works roster prior to the 2003 legislative session.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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