

# SENATE BILL REPORT

## E2SHB 1071

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As Reported By Senate Committee On:  
State & Local Government, February 24, 2000

**Title:** An act relating to limited public works.

**Brief Description:** Creating a limited public works process.

**Sponsors:** House Committee on State Government (originally sponsored by Representatives Romero and D. Schmidt; by request of Alternative Public Works Methods Oversight Committee).

**Brief History:**

**Committee Activity:** State & Local Government: 2/21/2000, 2/24/2000 [DPA].

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### SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

**Majority Report:** Do pass as amended.

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

**Staff:** Diane Smith (786-7410)

**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, material men, 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, material men and excise taxes that are imposed on the project.

**Summary of Amended 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 governmental entity solicits electronic or written quotations for the project from at least three contractors making an effort to include a certified minority or woman-owned contractor. The governmental entity may award the contract to the lowest

responsible bidder, even if only one quotation is received, or may reject all quotations. If less than all the contractors on the appropriate roster are notified, a contractor on that roster who has been sent a notice must not be sent another notice until all other contractors on the roster have been sent a notice of a project. A list must be maintained of the contracts awarded under this process.

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

**Amended Bill Compared to Second Substitute Bill:** The striking amendment specifically mentions minority or woman-owned contractors.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This would free contract management staff time for better use on bigger projects and free up money better spent on programs. The waiver option has less paperwork and makes it easier for small contractors to submit bids.

**Testimony Against:** Governmental entities should not be able to waive bonding requirements.

**Testified:** PRO: John Lynch, GA; Jim King, Coalition for Parks and Recreation; Juan Huey-Ray, OMWBE; Jim Justin, AWC; CON: Kevin Lybeck, Contractors Bonding and Insurance.