

*State Government Committee*

**HB 1154**

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

**Sponsors:** *Representatives D. Schmidt, Miloscia and Romero.*

**Brief Summary of Bill**

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

**Hearing Date:** *2/12/01*

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

**Background:**

*Differing procedures exist 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.*

*Legislation was enacted in 2000 providing a common small works roster process for all state agencies and many local governments to award contracts for public works estimated to cost \$200,000 or less. The agency or local government solicits bids from 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 responsible bidder. An effort must be made to equitably distribute the opportunity among contractors on the appropriate roster if bids are solicited from less than all contractors on the roster. Local governments authorized to use this small works roster process are counties, cities and towns, housing authorities, school districts, fire protection districts, port district, public utility districts, water/sewer districts,*

*and public hospital districts.*

*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 Bill:***

*State agencies and local governments authorized to use the small works roster process may award contracts using a limited public works process for construction, building renovation, remodeling, altering, repairing, or improving real property.*

*The limited public works process is a type of small works roster process, but only applies to contracts estimated to cost less than \$35,000. Bids must be solicited from at least three contractors, including a certified minority or certified woman-owned contractor, when practicable and to the extent permitted by Initiative Measure No. 200. The agency or local government may award the contract, even if only one quotation is received, or reject all quotations. Quotations are available for public inspection after a contract is awarded. An attempt shall be made to distribute opportunities equitably among contractors willing to perform in the geographic area of the work.*

*Agencies and local governments must maintain a list each biennium of contracts awarded under this process, including the names of the contractors.*

*An agency or local government using the limited public works process may waive performance bond requirements and retainage requirements but has a right of recovery against the contractor for any payments it makes on behalf of the contractor.*

***Rulemaking Authority:*** *No express authority.*

***Appropriation:*** *None.*

***Fiscal Note:*** *Not Requested.*

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