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HOUSE BILL 1354

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State of Washington                      58th Legislature                      2003 Regular Session

By Representatives Upthegrove, Armstrong, Miloscia, Nixon and  
McDermott

Read first time 01/23/2003.                      Referred to Committee on Local  
Government.

1            AN ACT Relating to adjusting the limit applicable to the  
2            contracting of public works by a special purpose water-sewer district;  
3            and amending RCW 57.08.050.

4            BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 57.08.050 and 2000 c 138 s 212 are each amended to  
6            read as follows:

7            (1) Subject to subsection (5) of this section, public work, other  
8            than ordinary maintenance, of a value of not more than ten percent of  
9            the public works construction budget for the year, as expressed in a  
10           capital improvement plan adopted by resolution of the board of  
11           commissioners, shall be performed by employees of the district, all  
12           work ordered, the estimated cost of which is in excess of ((five))  
13           twenty-five thousand dollars, shall be let by contract and competitive  
14           bidding. Before awarding any such contract the board of commissioners  
15           shall publish a notice in a newspaper of general circulation where the  
16           district is located at least once thirteen days before the last date  
17           upon which bids will be received, inviting sealed proposals for such  
18           work, plans and specifications which must at the time of publication of  
19           such notice be on file in the office of the board of commissioners

1 subject to the public inspection. The notice shall state generally the  
2 work to be done and shall call for proposals for doing the same to be  
3 sealed and filed with the board of commissioners on or before the day  
4 and hour named therein.

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

1 (2) As an alternative to requirements under subsection (1) of this  
2 section, a water-sewer district may let contracts using the small works  
3 roster process under RCW 39.04.155.

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

13 (4) The board may waive the competitive bidding requirements of  
14 this section pursuant to RCW 39.04.280 if an exemption contained within  
15 that section applies to the purchase or public work.

16 (5) Whenever a water-sewer district shall, subject to the  
17 limitation expressed in subsection (1) of this section, have public  
18 works performed by employees of the water-sewer district during a  
19 calendar year exceeding one percent of the public works construction  
20 budget, a report shall be prepared and made available to the state  
21 auditor.

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