

HOUSE BILL REPORT

HB 3106

As Reported by House Committee On:
State Government Operations & Accountability

Title: An act relating to work performed by institutions of higher education.

Brief Description: Changing public works provisions for institutions of higher education.

Sponsors: Representatives Kenney, Buri, Cox, McIntire and Ericks.

Brief History:

Committee Activity:

State Government Operations & Accountability: 1/31/06, 2/1/06 [DP].

Brief Summary of Bill

- Raises the dollar limits that require a public bid process for the state and regional universities and The Evergreen State College from \$35,000 to \$50,000 and from \$15,000 to \$20,000 for projects involving only one trade or craft.
- Establishes bid limits for the community colleges equal to the state and regional universities and The Evergreen State College.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: Do pass. Signed by 6 members: Representatives Haigh, Chair; Green, Vice Chair; Clements, Assistant Ranking Minority Member; Hunt, McDermott and Miloscia.

Minority Report: Do not pass. Signed by 3 members: Representatives Nixon, Ranking Minority Member; Schindler and Sump.

Staff: Marsha Reilly (786-7135).

Background:

Whenever public works projects undertaken by the regional and state universities and The Evergreen State College equal or exceed \$35,000, the project is subject to a public bid process in which the contract must be awarded to the lowest responsible bidder. The public bid process must also be used if the project exceeds \$15,000 but only involves one trade or craft area. The prevailing rate of wages must be paid on public works projects of at least \$25,000. The public bid process is not required if the contract is awarded under the small works roster process. Publication of the project is not required if the estimated cost is under \$25,000 or if

the contract is awarded under the small works roster process. Public bid procedures may be waived during an emergency.

Summary of Bill:

Regional and state universities and The Evergreen State College are required to use a public bid process for public works projects over \$50,000. The college and universities are also required to use a public bid process for public works projects that involve only one trade or craft that exceed \$20,000. Bid limits for public works projects are established for the community colleges equal to that of the state and regional universities and The Evergreen State College.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support) The Washington State Federation of State Employees supports the bill. The limits were last raised in 2001 and it is fair to raise the limits to adjust for inflation.

(With concerns) The Association of General Contractors is both pro and con on the bill. Including the community colleges is not a problem; raising the bid limits is a concern. The construction industry relies on contractors and subcontractors to take on smaller jobs like these for training purposes. The construction industry contributes about \$1.5 billion in sales and building and occupation taxes each year. Raising the bid limits acts as a deterrent for small business and will prevent some people from getting into construction trades.

Testimony Against: None.

Persons Testifying: (In support) Bev Hermanson, Washington Federation of State Employees.

(With concerns) Duke Schaub, Associated General Contractors.

Persons Signed In To Testify But Not Testifying: None.