

SENATE BILL REPORT

HB 3106

As Reported By Senate Committee On:
Early Learning, K-12 & Higher Education, February 23, 2006

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: Passed House: 2/13/06, 79-19.

Committee Activity: Early Learning, K-12 & Higher Education: 2/22/06, 2/23/06 [DPA, DNP].

SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

Majority Report: Do pass as amended.

Signed by Senators McAuliffe, Chair; Pridemore, Vice Chair, Higher Education; Weinstein, Vice Chair, Early Learning & K-12; Berkey, Eide, Kohl-Welles, Rasmussen, Schoesler and Shin.

Minority Report: Do not pass.

Signed by Senators Schmidt, Ranking Minority Member and Rockefeller.

Staff: Susan Mielke (786-7422)

Background: Any building, construction, renovation, remodeling, or demolition other than maintenance or repairs at regional and state universities and the Evergreen State College that equal or exceed \$35,000 are subject to a public bid process with the contract awarded to the lowest responsible bidder. If these public works projects equal or exceed \$25,000, then the prevailing rate of wage must be provided. The public bid process must also be used if the project exceeds \$15,000 but only involves one trade or craft. The public bid process is not required if the contract is awarded under the small works roster process. Public bid procedures may be waived in the event of an emergency.

At community and technical colleges, any building, improvements, repairs, or other work that exceeds \$25,000 are subject to a public bid process and the contract must be awarded to the lowest responsible bidder. The public bid process must also be used if the project exceeds \$10,000 but only involves one trade or craft. If the cost is less than \$25,000, then the statute requires conformance with publication requirements, but those requirements were repealed by the Legislature in 2000.

Summary of Amended Bill: The cost limit for public works projects at the regional and state universities, the Evergreen State College, and the community colleges that are exempt from the public bid procedure is increased to \$50,000. The cost limit on public works projects that

involve only one trade or craft that are exempt from the public bid procedure is increased to \$20,000.

Amended Bill Compared to Original Bill: The substitute makes four technical changes:

- 1) Deletes community colleges from the first section of the bill because that chapter of law only addresses 4-year public institutions of higher education, not community colleges;
- 2) Adds to the bill the section of law that addresses the public bid process for community and technical colleges;
- 3) Raises the cost limits that addresses the public bid of public works projects at community and technical colleges to conform with the bill; and
- 4) Removes a reference to an obsolete statute.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: We are in favor of increasing the bid limits. It is fiscally responsible for the limits to be raised periodically in order to avoid wasting tax dollars because as the price of materials goes up, you reach a point where the cost of putting bids out exceeds the cost of doing the project yourself. These limits have not been raised since 2001.

Testimony Against: Occasional increases are okay but it is not necessary at this time since it has only been four years since the limits were last raised. This bill constitutes a 43 percent increase for multi-trade projects and a 33 percent increase for single trade projects. This increases the limits 200 percent compared to the 12 percent increase in the Seattle CPI (Consumer Price Index). Additionally, there is no evidence that the processes that have been put in place for small projects are not working. These processes include the small works roster process and the alternative public work procurement process.

Testimony Other: There needs to be an amendment so that all the relevant sections of law are amended in order to avoid conflicting statutes.

Who Testified: PRO: Dennis Eagle, Washington Federation of State Employees.

CON: Michael Transue, Associated General Contractors.

OTHER: Tom Henderson, State Board for the Community and Technical Colleges.