

HOUSE BILL REPORT

ESSB 5770

As Reported by House Committee On:
State Government & Tribal Affairs

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

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

Sponsors: Senate Committee on Higher Education (originally sponsored by Senators Shin, Schoesler and Kilmer).

Brief History:

Committee Activity:

State Government & Tribal Affairs: 3/27/07, 3/30/07 [DPA].

Brief Summary of Engrossed Substitute Bill
(As Amended by House Committee)

- Increases the bid limit for an open competitive sealed bid process at higher education institutions from \$35,000 to \$55,000 if the work involves two or more trades, and from \$15,000 to \$35,000 if the work involves one trade.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: Do pass as amended. Signed by 7 members: Representatives Hunt, Chair; Appleton, Vice Chair; Armstrong, Assistant Ranking Minority Member; Green, McDermott, Miloscia and Ormsby.

Minority Report: Do not pass. Signed by 2 members: Representatives Chandler, Ranking Minority Member and Kretz.

Staff: Marsha Reilly (786-7135).

Background:

Public entities are required to use the open competitive sealed bid process for public works projects estimated to cost above a certain dollar figure. The dollar figure varies based on how many trades are required for the project. Different public entities have different bid limits.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The basic proposition of competitive bidding procedures is that the contract is awarded to the lowest responsible bidder.

The bid limit established for a competitive sealed bid process for a regional or state university, or The Evergreen State College is \$35,000. If a project involves one trade or craft area, such as electrical, and the estimated cost is \$15,000 or more, the project must be bid. If a project is estimated to cost \$25,000 or more, the project is deemed a "public works" and the prevailing rate of wage must be paid on that project. If the project is estimated at \$25,000 or less, a description of the project does not need to be publicized in a legal newspaper of general circulation. The small works roster process may be used for projects estimated to cost \$200,000 or less.

The bid limit established for a competitive sealed bid process for a community college is \$25,000, or \$10,000 for a single trade.

Summary of Amended Bill:

Requirements for a public bid process at regional and state universities, The Evergreen State College and community colleges are modified. Projects estimated to cost \$55,000 or more must be bid. If the project involves one trade or craft area, it must be bid if the estimated cost is \$35,000 or more. For The Evergreen State College and the regional and state universities, the dollar amounts for prevailing rate of wage and publication requirements are changed to conform to the new bid limits, and clarification is made that prevailing wage laws apply to any project that is publicly bid.

A technical correction is made to change a statute citation.

Amended Bill Compared to Engrossed Substitute Bill:

The amended bill corrects the dollar amounts for prevailing rate of wage and publication requirements to conform to and be consistent with the new bid limits. It also clarifies that prevailing wage laws apply to any publicly bid project. A technical correction is made to change a statute citation.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The bill will provide more flexibility to universities to use agency crews to accomplish projects. The bid caps are increased, but there is nothing to prevent the

universities to bid a project that is under the limit. It will allow maintenance people to continue to work. The increased limits reflect the rising cost of construction materials. With the rising cost of inflation, jobs that can be done within the universities and community colleges are being lost. In-house staff know the jobs and have the expertise to do those jobs. It does not force the universities to use its staff, but simply provides more flexibility.

(Opposed) The electrical and mechanical contractors oppose the bill. The law already allows in-house staff to do maintenance and repairs with no limit. Allowing state agencies to contract out saves money. This bill is contracting-in. Private companies do not do this. The Associated General Contractors is opposed to the bill. When people can compete for jobs, the public gets the best price and qualifications.

Persons Testifying: (In support) Senator Shin, prime sponsor; Marty Hitchcock, Western Washington University; Matt Zuvich and Rick Halverson, Washington Federation of State Employees; and Eric Nordlof, Public School Employees of Washington.

(Opposed) Larry Stevens, Mechanical and National Electrical Contractors Associations; and Rick Slunaker, Associated General Contractors.

Persons Signed In To Testify But Not Testifying: None.