

SENATE BILL REPORT

SHB 1328

As Reported By Senate Committee On:
Government Operations & Elections, March 27, 2007

Title: An act relating to small works roster contracting procedures.

Brief Description: Concerning small works roster contracting procedures.

Sponsors: House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Santos, Anderson, Green, Hunt, Miloscia, McDermott, Hasegawa, Hudgins, Chandler, Darneille, Haigh, Hankins, Wallace, Kristiansen, Kagi, Pettigrew, Kenney and Conway).

Brief History: Passed House: 2/05/07, 95-0.

Committee Activity: Government Operations & Elections: 3/15/07, 3/27/07 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Kline and Pridemore.

Minority Report: Do not pass.

Signed by Senator Swecker.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach, Ranking Minority Member.

Staff: Sharon Swanson (786-7447)

Background: State agencies and local governments may use the small works roster process to award contracts for public works projects estimated to cost \$200,000 or less. When an agency or local government elects to use this process, it must solicit bids from at least five contractors who have requested to be listed on a small works roster. The agency or local government, if it decides to award the contract, awards the contract to the lowest responsible bidder. The agency or local government must make an effort to equitably distribute the opportunity among contractors on the roster if the bids are solicited from less than all the contractors on the roster.

Summary of Substitute Bill: A state agency or authorized local government may adopt procedures to award small works roster contracts to small businesses with gross revenues under \$1 million annually, as reported on its federal tax return.

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.

Additional procedures may be developed to award small works roster contracts to small businesses with gross revenues under \$250,000 annually.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Government Operations & Elections): A state agency or authorized local government may use the limited public works process to solicit and award small works roster contracts to small businesses that are registered contractors with gross revenues under \$1 million annually as reported on their federal tax return.

A state agency or authorized local government may adopt additional procedures to encourage small businesses that are registered contractors with gross revenues under \$250,000 annually as reported on their federal tax returns to submit quotations or bids on small works roster contracts.

The alternative administration of the prevailing wage contract requirement that applies to public works projects of \$2,500 or less applies to public works projects under \$35,000 that use the limited public works process found in RCW 39.04.155 (3).

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.

Staff Summary of Public Testimony: PRO: The bill was brought forward by community members and a school district administrator who is administering such a program. This bill is important because we have a policy that recognizes the important role small businesses play in our local communities spurring economic development and creating jobs. Small businesses have a better chance of competing when they don't have to compete against huge, commercial contractors. This bill helps give small businesses a competitive edge.

OTHER: The bill needs parameters. The current draft of the bill throws open to all state agencies and all local governments the ability to create procedures to award small works rosters. What does this mean? Will each jurisdiction have their own process and procedures? There needs to be some type of oversight.

Persons Testifying: PRO: Silas Potter, Seattle Public Schools; Fred Anderson, LeaJack Concrete; Doris, Yopez, Sunset Welding.

OTHER: Larry Stevens, Electrician and Mechanics Contractors Association.