
Local Government Committee

HB 1544

Brief Description: Concerning the administrative steps required to be satisfied by a municipality in the procurement of water services in order for RCW 35.22.625 to not apply to the selection of water service contractors.

Sponsors: Representatives Dent and Takko.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes municipalities to use different contract procedures in selecting persons or entities to service and maintain water facilities and collection systems, than those procedures provided in statute for contracts and competitive bidding for public works or improvements of first class cities.
--

Hearing Date: 2/3/15

Staff: Michaela Murdock (786-7289).

Background:

First class cities are cities that have a population of 10,000 or more inhabitants and have adopted a charter in accordance with Article XI, section 10 of the Washington Constitution. The organization, manner, and mode in which first class cities (cities) may exercise the powers, functions, and duties conferred on them by law must be provided in a city charter.

Cities may: (1) provide for the erection, purchase, or acquisition of waterworks, within or without the corporate limits of the city, to supply the city and its inhabitants with water; (2) authorize the construction of waterworks by others when deemed in the best interests of the city and its inhabitants; and (3) regulate and control the use and price of the water supplied.

Public Works or Improvements.

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.

"Public work" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the city, or which by law is a lien or charge on any property in the city.

A city may have public works performed by contract pursuant to public notice and a call for competitive bids. Subject to limitations, a city may also have public works performed by city employees or a county. A city may not have public employees perform a public works project: (a) in excess of \$90,000, if more than a single craft or trade is involved in the public works project; or (b) in excess of \$45,000, if a single craft or trade is involved in the public works project, the project is street signalization, or the project is street lighting.

The competitive bidding requirements for a city may be waived by the city legislative authority if an exemption (*e.g.*, for certain types of purchases enumerated in statute, or for public works in the event of an emergency) applies to the work or contract. The city may also let contracts using a small works roster process for work with an estimated cost of less than \$300,000, or in other instances less.

If a city executes a public work by any means or method other than by contract or small works roster, the city must keep and preserve true and accurate accounts and records of the costs of executing the public works. The city may also prepare and submit an annual report to the state auditor on its public works construction and budget.

Exceptions to Contract and Competitive Bidding for First Class Cities.

Contract and competitive bidding requirements for cities do not apply in circumstances specified in statute: (1) the selection of persons or entities to construct or develop water pollution control facilities or to provide water pollution control services; or (2) the selection of persons or entities to construct or develop solid waste handling facilities or to provide solid waste handling services.

Summary of Bill:

Municipalities are authorized to select persons or entities to service and maintain water facilities and collection systems in accordance with contract procedures that are different than procedures provided in statute for contract and competitive bidding for public works and improvements of first class cities.

Under the new procurement procedures:

- A municipality must publish in advance its requirements to procure water services. The notice must state the scope and nature of equipment and services required under the water system service contract, and encourage qualified firms to submit proposals.
- The municipality may negotiate a fair and reasonable water system service contract with the firm that submits the best proposal.
- Negotiations may be terminated if the municipality is unable to negotiate a satisfactory service contract. The municipality may select another firm and continue negotiations until a contract is reached or the selection process is terminated.

Appropriation: None.

Fiscal Note: Not requested.

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