

SENATE BILL REPORT

SB 5381

As of January 31, 2019

Title: An act relating to clarifying the authority and procedures for unit priced contracting by water and sewer districts.

Brief Description: Concerning the authority and procedures for unit priced contracting by water and sewer districts.

Sponsors: Senators Takko and Short.

Brief History:

Committee Activity: Local Government: 1/31/19.

Brief Summary of Bill

- Allows water-sewer districts to procure public works with a unit priced contract.
- Defines and clarifies bidding procedures for unit priced contracts.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Staff: Bonnie Kim (786-7316)

Background: Water-sewer districts provide water and sewer services to incorporated and unincorporated areas. District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants, and to develop and operate systems of sewers and drainage. Districts may also fix rates and charges for services, enter into contracts, levy taxes, and issue bonds. Generally, districts must solicit bids and award contracts for all work estimated to cost over \$50,000.

Summary of Bill: A water-sewer district may procure public works with a unit priced contract to complete anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades. "Unit priced contract" is defined as a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work. Although an

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initial contract term may not exceed three years, districts may extend or renew a contract for one additional year.

Invitations for unit price bids must include the following information:

- estimated quantities of the anticipated types of work or trades; and
- how the district will issue or release work assignments, work orders, or task authorizations for projects based on the hourly rates or unit prices bid by the contractor.

Whenever possible, the water-sewer district must invite at least one proposal from a minority or woman contractor. Contracts must be awarded to the lowest responsible bidder.

Unit price contractors must pay prevailing wages for all public works that would otherwise be subject to the requirements of chapter 39.12.RCW. Prevailing wages for all work must be the rates in effect at the beginning date for each contract year. Unit priced contracts must have prevailing wage rates updated annually.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill would allow water-sewer districts to go out to bid for public works contracts and then keep those contractors on call for future works. This bill would ease administrative burdens by eliminating the need to solicit multiple bids for recurring projects. This bill will allow our district to be more responsive to emergencies because we will have contracts in place to execute works as needed.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Matt Doumit, Cascade Water Alliance; John Peterson, Clark Regional Wastewater District; Rich Ludlow, Clark Regional Wastewater District.

Persons Signed In To Testify But Not Testifying: No one.