
SUBSTITUTE HOUSE BILL 1222

State of Washington

66th Legislature

2019 Regular Session

By House Local Government (originally sponsored by Representatives Griffey and Blake)

READ FIRST TIME 02/08/19.

1 AN ACT Relating to public utility districts' contracts for work
2 or materials; and amending RCW 54.04.070 and 54.04.082.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 54.04.070 and 2017 c 85 s 1 are each amended to read
5 as follows:

6 (1) Any item, or items of the same kind of materials, equipment,
7 or supplies purchased, the estimated cost of which is in excess of
8 (~~fifteen~~) thirty thousand dollars, exclusive of sales tax, shall be
9 by contract. However, a district may make purchases of the same kind
10 of items of materials, equipment, and supplies not exceeding
11 (~~seven~~) twelve thousand (~~five hundred~~) dollars in any calendar
12 month without a contract, purchasing any excess thereof over
13 (~~seven~~) twelve thousand (~~five hundred~~) dollars by contract.

14 (2) Any work ordered by a district commission, the estimated cost
15 of which is in excess of (~~twenty-five~~) fifty thousand dollars,
16 exclusive of sales tax, shall be by contract. However, a district
17 commission may have its own regularly employed personnel perform work
18 which is an accepted industry practice under prudent utility
19 management without a contract. For purposes of this section, "prudent
20 utility management" means performing work with regularly employed
21 personnel utilizing material of a worth not exceeding (~~one~~) three

1 hundred (~~fifty~~) thousand dollars in value without a contract. This
2 limit on the value of material being utilized in work being performed
3 by regularly employed personnel shall not include the value of
4 individual items of equipment (~~(purchased or acquired and used as one~~
5 ~~unit of a project)~~). For the purposes of this section, the term
6 "equipment" includes but is not limited to conductor, cabling, wire,
7 pipe, or lines used for electrical, water, fiber optic, or
8 telecommunications.

9 (3) Before awarding a contract required under subsection (1) or
10 (2) of this section, the commission shall publish a notice once or
11 more in a newspaper of general circulation in the district at least
12 thirteen days before the last date upon which bids will be received,
13 inviting sealed proposals for the work or materials. Plans and
14 specifications for the work or materials shall at the time of
15 publication be on file at the office of the district and subject to
16 public inspection. Any published notice ordering work to be performed
17 for the district shall be mailed at the time of publication to any
18 established trade association which files a written request with the
19 district to receive such notices. The commission may, at the same
20 time and as part of the same notice, invite tenders for the work or
21 materials upon plans and specifications to be submitted by the
22 bidders.

23 (4) As an alternative to the competitive bidding requirements of
24 this section and RCW 54.04.080, a district may let contracts using
25 the small works roster process under RCW 39.04.155.

26 (5) Whenever equipment or materials required by a district are
27 held by a governmental agency and are available for sale but such
28 agency is unwilling to submit a proposal, the commission may
29 ascertain the price of such items and file a statement of such price
30 supported by the sworn affidavit of one member of the commission, and
31 may consider such price as a bid without a deposit or bond.

32 (6) Pursuant to RCW 39.04.280, the commission may waive the
33 competitive bidding requirements of this section and RCW 54.04.080 if
34 an exemption contained within RCW 39.04.280 applies to the purchase
35 or public work.

36 (7) (a) A district may procure public works with a unit priced
37 contract under this section, RCW 54.04.080, or 54.04.085 for the
38 purpose of completing anticipated types of work based on hourly rates
39 or unit pricing for one or more categories of work or trades.

1 (b) For the purposes of this section, unit priced contract means
2 a competitively bid contract in which public works are anticipated on
3 a recurring basis to meet the business or operational needs of a
4 district, under which the contractor agrees to a fixed period
5 indefinite quantity delivery of work, at a defined unit price, for
6 each category of work.

7 (c) Unit priced contracts must be executed for an initial
8 contract term not to exceed three years, with the district having the
9 option of extending or renewing the unit priced contract for one
10 additional year.

11 (d) Invitations for unit price bids shall include, for purposes
12 of the bid evaluation, estimated quantities of the anticipated types
13 of work or trades, and specify how the district will issue or release
14 work assignments, work orders, or task authorizations pursuant to a
15 unit priced contract for projects, tasks, or other work based on the
16 hourly rates or unit prices bid by the contractor. Where electrical
17 facility construction or improvement work is anticipated, contractors
18 on a unit priced contract shall comply with the requirements under
19 RCW 54.04.085 (1) through (5). Contracts must be awarded to the
20 lowest responsible bidder as per RCW 39.04.010.

21 (e) Unit price contractors shall pay prevailing wages for all
22 work that would otherwise be subject to the requirements of chapter
23 39.12 RCW. (~~Prevailing wages for all work performed pursuant to each~~
24 ~~work order must be the rates in effect at the time the individual~~
25 ~~work order is issued)) Prevailing wages for all work performed
26 pursuant to each work order must be the prevailing wage rates in
27 effect at the beginning date for each contract year. Unit priced
28 contracts must have prevailing wage rates updated annually. Intents
29 and affidavits for prevailing wages paid must be submitted annually
30 for all work completed within the previous twelve-month period of the
31 unit priced contract.~~

32 **Sec. 2.** RCW 54.04.082 and 2008 c 216 s 3 are each amended to
33 read as follows:

34 For the awarding of a contract to purchase any item, or items of
35 the same kind of materials, equipment, or supplies in an amount
36 exceeding (~~fifteen~~) thirty thousand dollars per calendar month, but
37 less than (~~sixty~~) one hundred twenty thousand dollars per calendar
38 month, exclusive of sales tax, the commission may, in lieu of the
39 procedure described in RCW 54.04.070 and 54.04.080 requiring public

1 notice to invite sealed proposals for such materials, equipment, or
2 supplies, pursuant to commission resolution use the process provided
3 in RCW 39.04.190. Waiver of the deposit or bid bond required under
4 RCW 54.04.080 may be authorized by the commission in securing such
5 bid quotations.

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