

SENATE BILL REPORT

SHB 1515

As Reported By Senate Committee On:
Higher Education, March 26, 2001

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

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

Sponsors: By House Committee on State Government (originally sponsored by Representatives Armstrong, O'Brien, Barlean, Hunt, Schoesler, Eickmeyer, Ahern, Darneille, Anderson, Carrell, G. Chandler, Hatfield, Buck, Lovick and Edwards).

Brief History:

Committee Activity: Higher Education: 3/22/01, 3/26/01 [DP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Carlson, Horn, McAuliffe, Parlette and B. Sheldon.

Staff: Jean Six (786-7423)

Background: Public works projects for comprehensive and research universities and The Evergreen State College that equal or exceed \$25,000 are subject to a public bid process. The contract must be awarded to the lowest responsible bidder. The public bid process must also be used if the project exceeds \$10,000 but only involves one trade or craft area. Prevailing wages must be paid on public works projects of at least \$25,000. The public bid process is not required if the contract is awarded under the small works roster process. Publication of the project is not required if the estimated cost is under \$25,000 or if the contract is awarded under the small works roster process. Public bid procedures may be waived during an emergency.

Summary of Bill: Comprehensive and research universities and The Evergreen State College must use a public bid process for public works projects over \$35,000. The college and universities must also use a public bid process for public works projects that involve only one trade or craft that exceed \$15,000.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The current \$25,000 in-house limit dates back to 1985. Construction costs have gone up 38 percent while inflation has been at 35 percent. A \$50,000 limit is more in

line with inflation. But we will support the House language of \$35,000 for multi-craft projects and \$15,000 for single-craft projects. In-house projects provide cost savings to both citizens and institutions. Many state employees depend on the work provided through the in-house projects. The limits include both labor and materials. In 1999, DOT in-house bid limits were increased.

The increase is consistent with management flexibility principles. It is important to do work in-house; it reduces administrative costs, uses skills of our workers, allows work to be done when students are not inconvenienced. The increase allows the work to be accomplished while meeting both the academic and the research needs of the institutions. An automatic escalator factor indexed to CPI would be helpful.

Testimony Against: None.

Testified: Representative Armstrong, prime sponsor; Tom Whisenant, Seattle Building and Construction Trades Council; Tom McArthur, WFSE; Terry Teale, COP; Abdul Nasser, CWU; Rick Cheney, UW; Ev Davis, WSU; Bev Hermansen, WFSE.