S-5127.2			

## SUBSTITUTE SENATE BILL 6235

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State of Washington 60th Legislature 2008 Regular Session

By Senate Government Operations & Elections (originally sponsored by Senators Haugen and Keiser)

READ FIRST TIME 02/08/08.

- AN ACT Relating to public works and port districts; amending RCW 39.30.020, 39.80.010, 39.80.020, 39.80.030, 39.80.040, 39.80.050, 53.08.120, 53.12.010, and 53.12.270; reenacting and amending RCW 39.04.155; adding a new section to chapter 53.08 RCW; and adding a new
- 5 chapter to Title 53 RCW.

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- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 39.04.155 and 2007 c 218 s 87, 2007 c 210 s 1, and 8 2007 c 133 s 4 are each reenacted and amended to read as follows:
  - (1) This section provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property that may be used by state agencies and by any local government that is expressly authorized to use these provisions. These provisions may be used in lieu of other procedures to award contracts for such work with an estimated cost of two hundred thousand dollars or less. The small works roster process includes the limited public works process authorized under subsection (3) of this section and any local government authorized to award contracts using the small works roster process under this section may

p. 1 SSB 6235

award contracts using the limited public works process under subsection (3) of this section.

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- (2)(a) A state agency or authorized local government may create a single general small works roster, or may create a small works roster for different specialties or categories of anticipated work. applicable, small works rosters may make distinctions between contractors based upon different geographic areas served by the contractor. The small works roster or rosters shall consist of all responsible contractors who have requested to be on the list, and where required by law are properly licensed or registered to perform such work in this state. A state agency or local government establishing a small works roster or rosters may require eligible contractors desiring to be placed on a roster or rosters to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the state agency or local government as a condition of being placed on a roster or rosters. At least once a year, the state agency or local government shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster or rosters and solicit the names of contractors for such roster or rosters. In addition, responsible contractors shall be added to an appropriate roster or rosters at any time they submit a written request and necessary records. contracts may be required to be signed that become effective when a specific award is made using a small works roster.
- (b) A state agency establishing a small works roster or rosters shall adopt rules implementing this subsection. A local government establishing a small works roster or rosters shall adopt an ordinance or resolution implementing this subsection. Procedures included in adopted by the department of general administration implementing this subsection must be included in any rules providing for a small works roster or rosters that is adopted by another state agency, if the authority for that state agency to engage in these activities has been delegated to it by the department of general administration under chapter 43.19 RCW. An interlocal contract or agreement between two or more state agencies or local governments establishing a small works roster or rosters to be used by the parties to the agreement or contract must clearly identify the lead entity that is responsible for implementing the provisions of this subsection.

(c) Procedures shall be established for securing telephone, written, or electronic quotations from contractors on the appropriate small works roster to assure that a competitive price is established and to award contracts to the lowest responsible bidder as defined in RCW 39.04.010. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials equipment to be furnished. However, detailed plans specifications need not be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes. Quotations may be invited from all appropriate contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate roster. However, if the estimated cost of the work is from one hundred thousand dollars to two hundred thousand dollars, a state agency or local government((, other than a port district, )) that chooses to solicit bids from less than all the appropriate contractors on the appropriate small works roster must also notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought. The government has the sole option of determining whether this notice to the remaining contractors is made by: (i) Publishing notice in a legal newspaper in general circulation in the area where the work is to be done; (ii) mailing a notice to these contractors; or (iii) sending a notice to these contractors by facsimile or other electronic means. For purposes of this subsection (2)(c), "equitably distribute" means that a state agency or local government soliciting bids may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services.

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- (d) A contract awarded from a small works roster under this section need not be advertised.
- (e) Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry.

p. 3 SSB 6235

(3) In lieu of awarding contracts under subsection (2) of this section, a state agency or authorized local government may award a contract for work, construction, alteration, repair, or improvement projects estimated to cost less than thirty-five thousand dollars using the limited public works process provided under this subsection. Public works projects awarded under this subsection are exempt from the other requirements of the small works roster process provided under subsection (2) of this section and are exempt from the requirement that contracts be awarded after advertisement as provided under RCW 39.04.010.

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For limited public works projects, a state agency or authorized local government shall solicit electronic or written quotations from a minimum of three contractors from the appropriate small works roster and shall award the contract to the lowest responsible bidder as defined under RCW 39.04.010. After an award is made, the quotations shall be open to public inspection and available by electronic request. A state agency or authorized local government shall attempt to distribute opportunities for limited public works projects equitably among contractors willing to perform in the geographic area of the work. A state agency or authorized local government shall maintain a list of the contractors contacted and the contracts awarded during the previous twenty-four months under the limited public works process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded. For limited public works projects, a state agency or authorized local government may waive the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material suppliers, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor for the limited public works project, however the state agency or authorized local government shall have the right of recovery against the contractor for any payments made on the contractor's behalf.

(4) The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process or limited public works process.

(5)(a) A state agency or authorized local government may use the limited public works process of subsection (3) of this section to solicit and award small works roster contracts to small businesses that are registered contractors with gross revenues under one million dollars annually as reported on their federal tax return.

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- (b) A state agency or authorized local government may adopt additional procedures to encourage small businesses that are registered contractors with gross revenues under two hundred fifty thousand dollars annually as reported on their federal tax returns to submit quotations or bids on small works roster contracts.
- (6) As used in this section, "state agency" means the department of general administration, the state parks and recreation commission, the department of natural resources, the department of fish and wildlife, the department of transportation, any institution of higher education as defined under RCW 28B.10.016, and any other state agency delegated authority by the department of general administration to engage in construction, building, renovation, remodeling, alteration, improvement, or repair activities.

## **Sec. 2.** RCW 39.30.020 and 1974 ex.s. c 74 s 1 are each amended to 20 read as follows:

In addition to any other remedies or penalties contained in any law, municipal charter, ordinance, resolution, or other enactment, any municipal officer by or through whom or under whose supervision, in whole or in part, any contract is made in willful and intentional violation of any law, municipal charter, ordinance, resolution, or other enactment requiring competitive bidding or procurement procedures for public work consultant services, upon such contract shall be held liable to a civil penalty of not less than three hundred dollars and may be held liable, jointly and severally with any other such municipal officer, for all consequential damages to the municipal corporation. If, as a result of a criminal action, the violation is found to have been intentional, the municipal officer shall immediately forfeit his office. For purposes of this section, "municipal officer" ((shall)) means an "officer" or "municipal officer" as those terms are defined in RCW 42.23.020(2).

p. 5 SSB 6235

Sec. 3. RCW 39.80.010 and 1981 c 61 s 1 are each amended to read as follows:

The legislature hereby establishes a state policy, to the extent provided in this chapter, that governmental agencies publicly announce requirements for architectural ((and)), engineering, and other construction-related services, and negotiate contracts for architectural ((and)), engineering, and other construction-related services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices.

- **Sec. 4.** RCW 39.80.020 and 1999 c 153 s 55 are each amended to read 12 as follows:
- Unless the context clearly requires otherwise, the definitions in this section shall apply throughout this chapter.
- 15 (1) "State agency" means any department, agency, commission, 16 bureau, office, or any other entity or authority of the state 17 government.
  - (2) "Local agency" means any city and any town, county, special district, municipal corporation, agency, port district or authority, or political subdivision of any type, or any other entity or authority of local government in corporate form or otherwise.
  - (3) "Special district" means a local unit of government, other than a city, town, or county, authorized by law to perform a single function or a limited number of functions, and including but not limited to, water-sewer districts, irrigation districts, fire districts, school districts, community college districts, hospital districts, transportation districts, and metropolitan municipal corporations organized under chapter 35.58 RCW.
  - (4) "Agency" means both state and local agencies and special districts as defined in subsections (1), (2), and (3) of this section.
  - (5) "Architectural and engineering services" ((or "professional services")) means professional services rendered by any person, other than as an employee of the agency, contracting to perform activities within the scope of the general definition of professional practice in chapters 18.08, 18.43, or 18.96 RCW.
- 36 (6) "Other construction-related services" means consultant services
  37 provided by any person, other than as an employee of the agency, in

- 1 connection with and furtherance of any public work for project
- 2 <u>management</u>, <u>construction</u> <u>supervision</u>, <u>or construction</u> <u>management</u>.
- 3 Other construction-related services do not include architectural and
- 4 engineering services, legal services, accounting or auditing services,
- 5 <u>claims consultant services, or other similar services that may be</u>
- 6 required in connection with any public work.
- 7 (7) "Public work" has the meaning set forth in RCW 39.04.010.
- 8 (8) "Public work consultant services" means architectural,
- 9 <u>engineering</u>, and other construction-related services provided by a
- 10 <u>consultant.</u>
- 11 (9) "Person" means any individual, organization, group,
- 12 association, partnership, firm, joint venture, corporation, or any
- 13 combination thereof.
- 14  $((\frac{7}{10}))$  "Consultant" means any person providing
- 15 ((professional)) architectural, engineering, or other construction-
- 16 <u>related consultant</u> services who is not an employee of the agency for
- 17 which the services are provided.
- 18  $((\frac{8}{1}))$  <u>(11)</u> "Application" means a completed statement of
- 19 qualifications together with a request to be considered for the award
- 20 of one or more contracts for professional services.
- 21 Sec. 5. RCW 39.80.030 and 1981 c 61 s 3 are each amended to read
- 22 as follows:
- 23 Each agency shall publish in advance that agency's requirement for
- 24 ((professional)) public work consultant services. The announcement
- 25 shall state concisely the general scope and nature of the project or
- 26 work for which the services are required and the address of a
- 27 representative of the agency who can provide further details. A
- 28 agency may comply with this section by: (1) Publishing an announcement
- on each occasion when ((professional)) public work consultant services
- 30 provided by a consultant are required by the agency; or (2) announcing
- 31 generally to the public its projected requirements for any category or
- 32 type of ((professional)) public work consultant services.
- 33 Sec. 6. RCW 39.80.040 and 1981 c 61 s 4 are each amended to read
- 34 as follows:
- In the procurement of ((architectural and engineering)) public work
- 36 <u>consultant</u> services, the agency shall encourage firms engaged in the

p. 7 SSB 6235

lawful practice of their profession to submit annually a statement of 1 2 qualifications and performance data. The agency shall evaluate current statements of qualifications and performance data on file with the 3 agency, together with those that may be submitted by other firms 4 5 regarding the proposed project, and shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility 6 7 of alternative methods of approach for furnishing the required services and then shall select therefrom, based upon criteria established by the 8 9 agency, the firm deemed to be the most highly qualified to provide the 10 services required for the proposed project. Such agency procedures and guidelines shall include a plan to insure that minority and women-owned 11 firms are afforded the maximum practicable opportunity to compete for 12 and obtain public contracts for services. The level of participation 13 by minority and women-owned firms shall be consistent with their 14 general availability within the professional communities involved. 15

- Sec. 7. RCW 39.80.050 and 1981 c 61 s 5 are each amended to read as follows:
- 18 (1) The agency shall negotiate a contract with the most qualified 19 firm for ((architectural and engineering)) public work consultant 20 services at a price which the agency determines is fair and reasonable 21 to the agency. In making its determination, the agency shall take into 22 account the estimated value of the services to be rendered as well as 23 the scope, complexity, and professional nature thereof.
  - (2) If the agency is unable to negotiate a satisfactory contract with the firm selected at a price the agency determines to be fair and reasonable, negotiations with that firm shall be formally terminated and the agency shall select other firms in accordance with RCW 39.80.040 and continue in accordance with this section until an agreement is reached or the process is terminated.
- 30 **Sec. 8.** RCW 53.08.120 and 2000 c 138 s 210 are each amended to read as follows:

All material required by a port district may be procured in the open market or by contract and all <u>public</u> work, <u>as defined in RCW</u> 34 <u>39.04.010</u>, ordered may be done by contract or day labor. All such contracts for <u>public</u> work, the estimated cost of which exceeds two hundred thousand dollars, shall be let at public bidding upon notice

SSB 6235 p. 8

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published in a newspaper of general circulation in the district at least thirteen days before the last date upon which bids will be received, calling for sealed bids upon the work, plans and specifications for which shall then be on file in the office of the commission for public inspection. The same notice may call for bids on such work or material based upon plans and specifications submitted by the bidder. The competitive bidding requirements for purchases or public works may be waived pursuant to RCW 39.04.280 if an exemption contained within that section applies to the purchase or public work.

However, a port district may let contracts using the small works roster process under RCW 39.04.155 in lieu of calling for sealed bids. Whenever possible, the managing official shall invite at least one proposal from a minority contractor who shall otherwise qualify under this section.

When awarding such a contract for <u>public</u> work, when utilizing proposals from the small works roster, the managing official shall give weight to the contractor submitting the lowest and best proposal, and whenever it would not violate the public interest, such contracts shall be distributed equally among contractors, including minority contractors, on the small works roster.

NEW SECTION. Sec. 9. A new section is added to chapter 53.08 RCW to read as follows:

A port district shall specifically comply with chapter 39.80 RCW in the procurement of all architectural, engineering, and other construction-related services, as those terms are defined in RCW 39.80.020.

**Sec. 10.** RCW 53.12.010 and 2002 c 51 s 1 are each amended to read 28 as follows:

(1) The powers of the port district shall be exercised through a port commission consisting of three or, when permitted by this title, five members. Every port district ((that is not coextensive with a county having a population of five hundred thousand or more)) shall be divided into the same number of commissioner districts as there are commissioner positions, each having approximately equal population, unless provided otherwise under subsection (2) of this section. Where a port district with three commissioner positions is coextensive with

p. 9 SSB 6235

the boundaries of a county that has a population of less than five hundred thousand and the county has three county legislative authority districts, the port commissioner districts shall be the county legislative authority districts. In other instances where a port district is divided into commissioner districts, the port commission shall divide the port district into commissioner districts unless the commissioner districts have been described pursuant to RCW 53.04.031. The commissioner districts shall be altered as provided in chapter 53.16 RCW. 

Commissioner districts shall be used as follows: (a) Only a registered voter who resides in a commissioner district may be a candidate for, or hold office as, a commissioner of the commissioner district; and (b) only the voters of a commissioner district may vote at a primary to nominate candidates for a commissioner of the commissioner district. Voters of the entire port district may vote at a general election to elect a person as a commissioner of the commissioner district.

- (2)(a) In port districts with five commissioners, two of the commissioner districts may include the entire port district if approved by the voters of the district either at the time of formation or at a subsequent port district election at which the issue is proposed pursuant to a resolution adopted by the board of commissioners and delivered to the county auditor.
- (b) In a port district with five commissioners, where two of the commissioner districts include the entire port district, the port district may be divided into five commissioner districts if proposed pursuant to a resolution adopted by the board of commissioners or pursuant to a petition by the voters and approved by the voters of the district at the next general or special election occurring sixty or more days after the adoption of the resolution. A petition proposing such an increase must be submitted to the county auditor of the county in which the port district is located and signed by voters of the port district at least equal in number to ten percent of the number of voters in the port district who voted at the last general election.

Upon approval by the voters, the commissioner district boundaries shall be redrawn into five districts within one hundred twenty days and submitted to the county auditor pursuant to RCW 53.16.015. The new commissioner districts shall be numbered one through five and the three

SSB 6235 p. 10

incumbent commissioners representing the three former districts shall represent commissioner districts one through three. The two at large incumbent commissioners shall represent commissioner districts four and If, as a result of redrawing the district boundaries more than one of the incumbent commissioners resides in one of the new commissioner districts, the commissioners who reside in the same commissioner district shall determine by lot which of the numbered commissioner districts they shall represent for the remainder of their respective terms. 

Sec. 11. RCW 53.12.270 and 1975 1st ex.s. c 12 s 1 are each amended to read as follows:

- (1) The commission may delegate to the managing official of a port district such administerial powers and duties of the commission as it may deem proper for the efficient and proper management of port district operations. Any such delegation shall be authorized by appropriate resolution of the commission, which resolution must also establish guidelines and procedures for the managing official to follow.
- 19 (2) The commission shall establish, by resolution, policies to
  20 comply with RCW 39.04.280 that set forth the conditions by which
  21 competitive bidding requirements for public works contracts may be
  22 waived.
  - NEW SECTION. Sec. 12. When a public port district purchases property outside of the district's jurisdictional boundaries, as part of the planning process for developing the property, the port must study and disclose through the public hearing process in the impacted community the impact of the proposed development plans. Elements included in the predevelopment planning study and disclosure must include the impact on air quality, noise, and groundwater resources in the affected community. The predevelopment planning study and disclosure process must also analyze the impact on both local and state transportation infrastructure that would result from development of the off-site property.

p. 11 SSB 6235

- 1 <u>NEW SECTION.</u> **Sec. 13.** Section 12 of this act constitutes a new
- 2 chapter in Title 53 RCW.

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