
SUBSTITUTE SENATE BILL 6560

State of Washington

60th Legislature

2008 Regular Session

By Senate Water, Energy & Telecommunications (originally sponsored by Senators Honeyford, Morton, Delvin, and Swecker)

READ FIRST TIME 02/08/08.

1 AN ACT Relating to public utility district contracts; amending RCW
2 54.04.070 and 54.04.082; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that public utility
5 districts provide customer-owned, nonprofit utility services throughout
6 Washington state. The legislature further finds that statutory bid
7 limits for public utility districts have not been increased to address
8 inflation and dramatic cost increases in construction materials. The
9 legislature further finds that the impact of existing bid limits and
10 high construction material costs is that public utility districts are
11 often unable to maintain and repair their own utility infrastructure,
12 provide training and experience to utility workers, and handle high
13 administrative costs. The legislature further finds that existing bid
14 limits result in increased costs to both public utility districts and
15 utility customers. Therefore, it is the intent of the legislature to
16 amend the bid limits for public utility districts to address inflation
17 and increased material costs.

1 **Sec. 2.** RCW 54.04.070 and 2002 c 72 s 2 are each amended to read
2 as follows:

3 Any item, or items of the same kind of materials, equipment, or
4 supplies purchased, the estimated cost of which is in excess of (~~ten~~)
5 fifteen thousand dollars, exclusive of sales tax shall be by contract:
6 PROVIDED, That a district may make purchases of the same kind of items
7 of materials, equipment and supplies not exceeding (~~five~~) seven
8 thousand five hundred dollars in any calendar month without a contract,
9 purchasing any excess thereof over (~~five~~) seven thousand five hundred
10 dollars by contract. Any work ordered by a district commission, the
11 estimated cost of which is in excess of (~~ten~~) twenty-five thousand
12 dollars exclusive of sales tax, shall be by contract, except that a
13 district commission may have its own regularly employed personnel
14 perform work which is an accepted industry practice under prudent
15 utility management without a contract. Prudent utility management
16 means performing work with regularly employed personnel utilizing
17 material of a worth not exceeding one hundred fifty thousand dollars in
18 value without a contract: PROVIDED, That such limit on the value of
19 material being utilized in work being performed by regularly employed
20 personnel shall not include the value of individual items of equipment
21 purchased or acquired and used as one unit of a project. Before
22 awarding such a contract, the commission shall publish a notice once or
23 more in a newspaper of general circulation in the district at least
24 thirteen days before the last date upon which bids will be received,
25 inviting sealed proposals for the work or materials; plans and
26 specifications of which shall at the time of the publication be on file
27 at the office of the district subject to public inspection. Any
28 published notice ordering work to be performed for the district shall
29 be mailed at the time of publication to any established trade
30 association which files a written request with the district to receive
31 such notices. The commission may at the same time and as part of the
32 same notice, invite tenders for the work or materials upon plans and
33 specifications to be submitted by the bidders.

34 All contract projects equal to or in excess of one hundred thousand
35 dollars shall be let by competitive bidding unless the public utility
36 district lets contracts using the small works roster process under RCW
37 39.04.155.

1 Whenever equipment or materials required by a district are held by
2 a governmental agency and are available for sale but such agency is
3 unwilling to submit a proposal, the commission may ascertain the price
4 of such items and file a statement of such price supported by the sworn
5 affidavit of one member of the commission and may consider such price
6 as a bid without a deposit or bond.

7 The commission may waive the competitive bidding requirements of
8 this section pursuant to RCW 39.04.280 if an exemption contained within
9 that section applies to the purchase or public work.

10 **Sec. 3.** RCW 54.04.082 and 2002 c 72 s 1 are each amended to read
11 as follows:

12 For the awarding of a contract to purchase any item, or items of
13 the same kind of materials, equipment, or supplies in an amount
14 exceeding (~~ten~~) fifteen thousand dollars, but less than (~~fifty~~)
15 sixty thousand dollars, exclusive of sales tax, the commission may, in
16 lieu of the procedure described in RCW 54.04.070 and 54.04.080
17 requiring public notice to invite sealed proposals for such materials,
18 equipment, or supplies, pursuant to commission resolution use the
19 process provided in RCW 39.04.190. Waiver of the deposit or bid bond
20 required under RCW 54.04.080 may be authorized by the commission in
21 securing such bid quotations.

--- END ---