
Community Development & Housing Committee

HB 1173

Brief Description: Regarding small works roster contracting procedures.

Sponsors: Representatives Kenney, Orcutt, Hasegawa, Finn, Smith, Santos and Maxwell.

Brief Summary of Bill

- Increases the maximum size of contracts that may be awarded under the limited public works process to contracts estimated to cost less than \$50,000, and increases the size of "small businesses" that may be awarded these larger contracts to those with gross annual revenues under \$7 million.
- For limited public works contracts estimated to cost less than \$35,000, allows contract awards to be made only to contractors defined as "microbusinesses" (with gross annual revenues under \$1 million).

Hearing Date: 1/24/11

Staff: Chris Cordes (786-7103).

Background:

Public work includes all work, construction, alteration, and repair or improvement, other than ordinary maintenance, that is executed at a cost to the state or a municipality.

For public work projects estimated to cost \$300,000 or less, state agencies and local governments may use the small works roster (SWR) process to award contracts. Any responsible contractor may request to be on a SWR, which may be a single general list or may include lists for various specialties or categories of work.

Under the SWR process, no advertising of such contract opportunities is required. Instead, a state agency or local government will solicit bids from all contractors who have requested to be on the

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appropriate SWR or from at least five of the listed contractors. The state agency or local government, if it decides to award the contract, must award it to the lowest responsible bidder.

The SWR process also allows for a limited public work process for projects estimated to cost less than \$35,000. Under the limited public works process, a state agency or authorized local government may solicit electronic, phone, or written quotations from a minimum of three contractors from the SWR and must award the contract to the lowest responsible bidder. A state agency or authorized local government may use the limited public works process to solicit and award these SWR contracts to small businesses that are registered contractors with annual gross revenues under \$1 million as reported on their federal tax return.

When using these small works or limited works processes, the state agency or local government must make certain efforts to equitably distribute the opportunity among the contractors.

Summary of Bill:

The maximum size of contracts that may be awarded under the limited public works process is increased from contracts estimated to cost less than \$35,000 to contracts estimated to cost less than \$50,000. For contracts estimated to cost \$35,000 or more, but less than \$50,000, the size of "small businesses" who may be awarded these contracts is increased from businesses with gross annual revenues under \$1 million to those with gross annual revenues under \$7 million.

For limited public works contracts estimated to cost less than \$35,000, contract awards may be made only to contractors defined as "microbusinesses" (businesses with gross annual revenues under \$1 million).

These changes apply only to limited public works contracts for which invitations to bid are issued on or after October 1, 2011.

Appropriation: None.

Fiscal Note: Requested on 1/18/2011.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.