RCW 54.04.070 Contracts for work or materials—Notice—Exemptions—Unit priced contracts. (1) Any item, or items of the same kind of materials, equipment, or supplies purchased, the estimated cost of which is in excess of $30,000, exclusive of sales tax, shall be by contract. However, a district may make purchases of the same kind of items of materials, equipment, and supplies not exceeding $12,000 in any calendar month without a contract, purchasing any excess thereof over $12,000 by contract.

(2) Any work ordered by a district commission, the estimated cost of which is in excess of $150,000 exclusive of sales tax if more than a single craft or trade is involved with the public works project, or a public works project in excess of $75,500 exclusive of sales tax if only a single craft or trade is involved with the public works project, shall be by contract. However, a district commission may have its own regularly employed personnel perform work which is an accepted industry practice under prudent utility management without a contract. For purposes of this subsection, "prudent utility management" means performing work with regularly employed personnel utilizing material of a worth not exceeding $300,000 in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel shall not include the value of individual items of equipment. For the purposes of this section, the term "equipment" includes but is not limited to conductor, cabling, wire, pipe, or lines used for electrical, water, fiber optic, or telecommunications.

(3) Until January 1, 2045, any work ordered by a district commission for the construction, maintenance, operation, or repair of new or existing nonemitting electric generation, electric generation from a renewable resource, energy storage, or transmission or distribution projects, the estimated cost of which is in excess of $500,000 exclusive of sales tax, shall be by contract. However, a district commission may have its own regularly employed personnel perform work described in this subsection which is an accepted industry practice under prudent utility management without a contract. For purposes of this subsection, "prudent utility management" means performing work with regularly employed personnel utilizing material of a worth not exceeding $1,000,000 in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel does not include the value of individual items of equipment. For the purposes of this subsection, "equipment" includes but is not limited to conductor, cabling, wire, lines, parts, components, or other devices used in nonemitting electrical generation, transmission, or distribution. For purposes of this subsection, "nonemitting electric generation" and "renewable resource" have the definitions provided in RCW 19.405.020.

(4) Before awarding a contract required under subsection (1), (2), or (3) of this section, the commission shall publish a notice once or more in a newspaper of general circulation in the district at least 13 days before the last date upon which bids will be received, inviting sealed proposals for the work or materials. Plans and specifications for the work or materials shall at the time of publication be on file at the office of the district and subject to public inspection. Any published notice ordering work to be performed for the district shall be mailed at the time of publication to any established trade association which files a written request with the district to receive such notices. The commission may, at the same time

and as part of the same notice, invite tenders for the work or materials upon plans and specifications to be submitted by the bidders.

(5) As an alternative to the competitive bidding requirements of this section and RCW 54.04.080, a district may let contracts using the small works roster process under RCW 39.04.151 through 39.04.154.

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

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

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

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

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

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

(e) Unit price contractors shall pay prevailing wages for all work that would otherwise be subject to the requirements of chapter 39.12 RCW. Prevailing wages for all work performed pursuant to each work order must be the prevailing wage rates in effect at the beginning date for each contract year. Unit priced contracts must have prevailing wage rates updated annually. Intents and affidavits for prevailing wages paid must be submitted annually for all work completed within the previous 12-month period of the unit priced contract.

(9) For the purposes of this section, "lowest responsible bidder" means a bid that meets the criteria under RCW 39.04.350 and has the lowest bid; provided, that if the district commission issues a written finding that the lowest bidder has delivered a project to the district within the last three years which was late, over budget, or did not meet specifications, and the commission does not find in writing that such bidder has shown how they would improve performance to be likely to meet project specifications then the commission may choose the

second lowest bidder whose bid is within five percent of the lowest bid and meets the same criteria as the lowest bidder. [2026 c 183 s 2. Prior: 2023 c 395 s 32; 2023 c 255 s 1; 2019 c 434 s 7; 2017 c 85 s 1; 2008 c 216 s 2; 2002 c 72 s 2; 2000 c 138 s 211; 1998 c 278 s 7; 1993 c 198 s 14; 1990 c 251 s 1; 1971 ex.s. c 220 s 4; 1955 c 124 s 2; prior: 1951 c 207 s 2; 1931 c 1 s 8, part; RRS s 11612, part.]

Intent—Findings—2026 c 183: "The legislature finds that the state has committed to achieving carbon neutrality by 2030 and becoming carbon-free by 2045. At the same time, electricity demand in Washington is rising sharply and current regional forecasts project an increase in electricity demand of over 30 percent in the next decade.

The legislature also finds that Washington's existing transmission system lacks the capacity to meet existing demand and integrate future intermittent clean energy generation, and that significant cost increases and supply chain delays in the electric utility sector require urgent action to maintain affordability for electric ratepayers. This challenge is especially heightened during extreme weather events, which increases the need for heating and cooling and places sustained pressure on the grid during peak periods.

Therefore, it is the intent of the legislature to streamline certain procurement laws for consumer-owned utilities until the 2045 carbon-free compliance date under the clean energy transformation act. These changes are intended to expedite needed energy generation, storage, transmission, and distribution to support Washington's growing energy demand and its clean energy commitments in the most timely and cost-effective manner." [2026 c 183 s 1.]

Effective date—2023 c 395 ss 1-30, 32-34, 36, and 37: See note following RCW 39.04.010.

Findings—Intent—2023 c 395: See note following RCW 39.04.010.

Effective date—2023 c 255 ss 1-5: "Sections 1 through 5 of this act take effect June 30, 2024." [2023 c 255 s 7.]

Finding—Intent—2019 c 434: See note following RCW 35.23.352.

Findings—Intent—2008 c 216: "The legislature finds that public utility districts provide customer-owned, nonprofit utility services throughout Washington state. The legislature further finds that statutory bid limits for public utility districts have not been increased to address inflation and dramatic cost increases in construction materials. The legislature further finds that existing bid limits and high construction material costs often preclude public utility districts from maintaining and repairing their utility infrastructure, providing training and experience to utility workers, and accommodating high contract administrative costs. The legislature further finds that existing bid limits result in increased costs to both public utility districts and utility customers. Therefore, it is the intent of the legislature to amend the bid limits for public utility districts to address inflation and increased material costs." [2008 c 216 s 1.]

Purpose—Part headings not law—2000 c 138: See notes following RCW 39.04.010.

Contracts with state department of transportation: RCW 47.01.210.

Emergency public works: Chapter 39.28 RCW.

Prevailing wages on public works: Chapter 39.12 RCW.

Public purchase preferences: Chapter 39.24 RCW.