

RCW 35.23.352 Public works—Contracts—Bids—Small works roster—Purchasing requirements, recycled or reused materials or products.

(1) Any second-class city or any town may construct any public works, as defined in RCW 39.04.010, by contract or day labor without calling for bids therefor whenever the estimated cost of the work or improvement, including cost of materials, supplies and equipment will not exceed the sum of \$150,000 if more than one craft or trade is involved with the public works, or \$75,500 if a single craft or trade is involved with the public works or the public works project is street signalization or street lighting. A public works project means a complete project. The restrictions in this subsection do not permit the division of the project into units of work or classes of work to avoid the restriction on work that may be performed by day labor on a single project. However, a second-class city or any town 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 section, "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 value of material being utilized in work being performed by regularly employed personnel shall not include the value of individual items of equipment. For purposes of this section, "equipment" includes, but is not limited to, conductor, cabling, wire, pipe, or lines used for electrical, water, fiber optic, or telecommunications.

Whenever the cost of the public work or improvement, including materials, supplies and equipment, will exceed these figures, the same shall be done by contract. All such contracts shall be let at public bidding upon publication of notice calling for sealed bids upon the work. The notice shall be published in the official newspaper, or a newspaper of general circulation most likely to bring responsive bids, at least 13 days prior to the last date upon which bids will be received. The notice shall generally state the nature of the work to be done that plans and specifications therefor shall then be on file in the city or town hall for public inspections, and require that bids be sealed and filed with the council or commission within the time specified therein. Each bid shall be accompanied by a bid proposal deposit in the form of a cashier's check, postal money order, or surety bond to the council or commission for a sum of not less than five percent of the amount of the bid, and no bid shall be considered unless accompanied by such bid proposal deposit. The council or commission of the city or town shall let the contract to the lowest responsible bidder or shall have power by resolution to reject any or all bids and to make further calls for bids in the same manner as the original call.

When the contract is let then all bid proposal deposits shall be returned to the bidders except that of the successful bidder which shall be retained until a contract is entered into and a bond to perform the work furnished, with surety satisfactory to the council or commission, in accordance with RCW 39.08.030. If the bidder fails to enter into the contract in accordance with his or her bid and furnish a bond within 10 days from the date at which he or she is notified that he or she is the successful bidder, the check or postal money order and the amount thereof shall be forfeited to the council or commission or the council or commission shall recover the amount of the surety bond. A low bidder who claims error and fails to enter into

a contract is prohibited from bidding on the same project if a second or subsequent call for bids is made for the project.

If no bid is received on the first call the council or commission may readvertise and make a second call, or may enter into a contract without any further call or may purchase the supplies, material or equipment and perform the work or improvement by day labor.

(2) 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 city issues a written finding that the lowest bidder has delivered a project to the city within the last three years which was late, over budget, or did not meet specifications, and the city does not find in writing that such bidder has shown how they would improve performance to be likely to meet project specifications then the city 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.

(3) The allocation of public works projects to be performed by city or town employees shall not be subject to a collective bargaining agreement.

(4) In lieu of the procedures of subsection (1) of this section, a second-class city or a town may let contracts using the small works roster process provided in RCW 39.04.151 through 39.04.154.

Whenever possible, the city or town shall invite at least one proposal from a certified minority or woman contractor who shall otherwise qualify under this section.

(5) The form required by RCW 43.09.205 shall be to account and record costs of public works in excess of \$5,000 that are not let by contract.

(6) The cost of a separate public works project shall be the costs of the materials, equipment, supplies, and labor on that construction project.

(7) Any purchase of supplies, material, or equipment, except for public work or improvement, with an estimated cost in excess of \$40,000, shall be by contract. Any purchase of materials, supplies, or equipment with an estimated cost of less than \$50,000 shall be made using the process provided in RCW 39.04.190.

(8) Bids shall be called annually and at a time and in the manner prescribed by ordinance for the publication in a newspaper of general circulation in the city or town of all notices or newspaper publications required by law. The contract shall be awarded to the lowest responsible bidder.

(9) For advertisement and formal sealed bidding to be dispensed with as to purchases with an estimated value of \$15,000 or less, the council or commission must authorize by resolution, use of the uniform procedure provided in RCW 39.04.190.

(10) The city or town legislative authority may waive the competitive bidding requirements of this section pursuant to RCW 39.04.280 if an exemption contained within that section applies to the purchase or public work.

(11) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(6), that are negotiated under chapter 39.35A RCW.

(12) Nothing in this section shall prohibit any second-class city or any town from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused.

(13)(a) Any second-class city or any town may procure public works with a unit priced contract under this section 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 the city or town, 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 city or town 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 city or town 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. Contracts must be awarded to the lowest responsible bidder as per RCW 39.04.010. Whenever possible, the city or town must invite at least one proposal from a certified minority or woman contractor who otherwise qualifies under this section.

(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.

(14) Any second-class city or town that awards a project to a bidder under the criteria described in subsection (2) of this section must make an annual report to the department of commerce that includes the total number of bids awarded to certified minority or women contractors and describing how notice was provided to potential certified minority or women contractors. [2023 c 395 s 21; 2023 c 255 s 2; 2019 c 434 s 1; 2018 c 74 s 2; 2009 c 229 s 4; 2002 c 94 s 2; 2000 c 138 s 204; 1998 c 278 s 3; 1996 c 18 s 2. Prior: 1994 c 273 s 9; 1994 c 81 s 18; 1993 c 198 s 10; 1989 c 431 s 56; 1988 c 168 s 3; 1987 c 120 s 2; prior: 1985 c 469 s 24; 1985 c 219 s 2; 1985 c 169 s 7; 1979 ex.s. c 89 s 2; 1977 ex.s. c 41 s 1; 1974 ex.s. c 74 s 2; 1965 c 114 s 1; 1965 c 7 s 35.23.352; prior: 1957 c 121 s 1; 1951 c 211 s 1; prior: (i) 1907 c 241 s 52; RRS s 9055. (ii) 1915 c 184 s 31; RRS s 9145. (iii) 1947 c 151 s 1; 1890 p 209 s 166; Rem. Supp. 1947 s 9185.]

Reviser's note: This section was amended by 2023 c 255 s 2 and by 2023 c 395 s 21, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(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: See note following RCW 54.04.070.

Finding—Intent—2019 c 434: "(1) The legislature finds that there are hundreds of local governments and special purpose districts and due to their existing authority and structure, partial legislative measures are introduced each year to amend the procurement thresholds for each individual entity. Therefore the legislature intends to require a comprehensive review of all local government bid limits for public works projects and purchases, including the small works roster and limited public works processes, rather than amend procurement rules and contract thresholds on a case-by-case basis.

(2) Subject to funds appropriated for this purpose, the capital projects advisory review board must review the public works contracting processes for local governments, including the small works roster and limited public works processes provided in RCW 39.04.155, and report to the governor and appropriate committees of the legislature by November 1, 2020. The report must include the following:

(a) Identification of the most common contracting procedures used by local governments;

(b) Identification of the dollar amounts set for local government public works contracting processes;

(c) Analysis of whether the dollar amounts identified in (b) of this subsection comport with estimated project costs within the relevant industries;

(d) An analysis of the potential application of an inflation-based increaser, taking regional factors into consideration, to the dollar amounts identified in (b) of this subsection, for example:

(i) Applying the implicit price deflator for state and local government purchases of goods and services for the United States as published by the bureau of economic analysis of the federal department of commerce; and

(ii) Adjusting the bid limit dollar thresholds for inflation, on a regional basis, by the building cost index during that time period;

(e) Recommendations to increase uniformity and efficiency for local government public works contracting and procurement processes;

(f) Rates of participation of all contractor types, including qualified minority and women-owned and controlled businesses, in the small works roster and limited public works contracting processes; and

(g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

(3) For purposes of this section:

(a) "Local governments" refers to all counties, cities, towns, other political subdivisions, and special purpose districts.

(b) "Building cost index" means the building cost index for Seattle, Washington, compiled by engineering news record, a nationally recognized professional construction trade periodical. The building cost index uses average skilled construction labor rates, structural steel, concrete, and lumber as the basis of measurement." [2019 c 434 s 16.]

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

Competitive bidding violations by municipal officer, penalties: RCW 39.30.020.

Subcontractors to be identified by bidder, when: RCW 39.30.060.