

NEW SECTION. Sec. 4. (1) Existing buildings, structures and/or improved areas undergoing major remodeling or rehabilitation, after the effective date of this act, shall meet the requirements of this act except where the administrative authority determines that full compliance is impracticable. However, those buildings and facilities for which contracts for the planning or design have been awarded prior to the effective date of this act shall not be required to meet the requirements of this act.

(2) The standards and specifications shall be applicable only to those portions or parts of the building being remodeled or rehabilitated.

NEW SECTION. Sec. 5. The responsibility for enforcement of this act shall lie with the building department of each county, city, town, or political subdivision of the state.

Passed the House March 26, 1971.

Passed the Senate May 5, 1971.

Approved by the Governor May 21, 1971.

Filed in Office of Secretary of State May 21, 1971.

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#### CHAPTER 220

[Engrossed House Bill No. 813]

#### PREQUALIFICATION OF ELECTRICAL CONTRACTORS DOING BUSINESS WITH ELECTRICAL UTILITIES

AN ACT Relating to municipal corporations; requiring the prequalification of electrical contractors doing business with electrical utilities; amending section 3, chapter 124, Laws of 1955 and RCW 54.04.080; adding a new section to chapter 7, Laws of 1965 and to chapter 35.92 RCW; amending section 2, chapter 124, Laws of 1955 and RCW 54.04.070; and adding a new section to chapter 54.04 RCW.

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

NEW SECTION. Section 1. There is added to chapter 7, Laws of 1965 and to chapter 35.92 RCW a new section to read as follows:

Any city or town owning an electrical utility shall require that bid proposals upon any electrical construction or improvement shall be made upon contract proposal form supplied by the governing authority of such utility, and in no other manner. The governing authority shall, before furnishing any person, firm or corporation desiring to bid upon any electrical work with a contract proposal form, require from such person, firm or corporation, answers to questions contained in a standard form of questionnaire and financial statement, including a complete statement of the financial ability

and experience of such person, firm, or corporation in performing electrical work. Such questionnaire shall be sworn to before a notary public or other person authorized to take acknowledgment of deeds, and shall be submitted once a year and at such other times as the governing authority may require. Whenever the governing authority is not satisfied with the sufficiency of the answers contained in such questionnaire and financial statement or whenever the governing authority determines that such person, firm, or corporation does not meet all of the requirements hereinafter set forth it may refuse to furnish such person, firm or corporation with a contract proposal form and any bid proposal of such person, firm or corporation must be disregarded. In order to obtain a contract proposal form, a person, firm or corporation shall have all of the following requirements:

- (1) Adequate financial resources, or the ability to secure such resources;
- (2) The necessary experience, organization, and technical qualifications to perform the proposed contract;
- (3) The ability to comply with the required performance schedule taking into consideration all of its existing business commitments;
- (4) A satisfactory record of performance, integrity, judgment, and skills; and
- (5) Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

Such refusal shall be conclusive unless appeal therefrom to the superior court of the county where the utility district is situated or Thurston county be taken within fifteen days, which appeal shall be heard summarily within ten days after the same is taken and on five days' notice thereof to the governing authority of the utility.

NEW SECTION. Sec. 2. There is added to chapter 54.04 RCW a new section to read as follows:

A district shall require that bid proposals upon any construction or improvement of any electrical facility shall be made upon contract proposal form supplied by the district commission, and in no other manner. The district commission shall, before furnishing any person, firm or corporation desiring to bid upon any electrical work with a contract proposal form, require from such person, firm or corporation, answers to questions contained in a standard form of questionnaire and financial statement, including a complete statement of the financial ability and experience of such person, firm, or corporation in performing electrical work. Such questionnaire shall be sworn to before a notary public or other person authorized to take acknowledgment of deeds, and shall be submitted once a year and at

such other times as the district commission may require. Whenever the district commission is not satisfied with the sufficiency of the answers contained in such questionnaire and financial statement or whenever the district commission determines that such person, firm, or corporation does not meet all of the requirements hereinafter set forth it may refuse to furnish such person, firm or corporation with a contract proposal form and any bid proposal of such person, firm or corporation must be disregarded. In order to obtain a contract proposal form, a person, firm or corporation shall have all of the following requirements:

- (1) Adequate financial resources, or the ability to secure such resources;
- (2) The necessary experience, organization, and technical qualifications to perform the proposed contract;
- (3) The ability to comply with the required performance schedule taking into consideration all of its existing business commitments;
- (4) A satisfactory record of performance, integrity, judgment, and skills; and
- (5) Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

Such refusal shall be conclusive unless appeal therefrom to the superior court of the county where the utility district is situated or Thurston county be taken within fifteen days, which appeal shall be heard summarily within ten days after the same is taken and on five days' notice thereof to the district commission.

Sec. 3. Section 3, chapter 124, Laws of 1955 and RCW 54.04.080 are each amended to read as follows:

The notice shall state generally the work to be done, or the material to be purchased and shall call for proposals for ~~((doing))~~ furnishing it, to be sealed and filed with the commission on or before the time named therein. Each bid shall be accompanied by a certified or cashier's check, payable to the order of the commission, for a sum not less than five percent of the amount of the bid, or accompanied by a bid bond in an amount not less than five percent of the bid with a corporate surety licensed to do business in the state, conditioned that the bidder will pay the district as liquidated damages the amount specified in the bond unless he enters into a contract in accordance with his bid and furnishes the performance bond herein mentioned within ten days from the date on which he is notified that he is the successful bidder. At the time and place named, the bids shall be publicly opened and read, and the commission shall canvass the bids, and may let the contract to the lowest ~~((responsible))~~ bidder prequalified according to the provisions of section 2 of this 1971 amendatory act upon the plans and

specifications on file, or to the best prequalified bidder submitting his own plans and specifications: PROVIDED, That no contract shall be let for more than fifteen percent in excess of the estimated cost of the materials or work. The commission may reject all bids and readvertise, and in such case all checks shall be returned to the bidders. The commission may procure materials in the open market, have its own personnel perform the work or negotiate a contract for such work to be performed by others, in lieu of readvertising, if it receives no bid. If the contract is let, all checks 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 sureties satisfactory to the commission, in an amount to be fixed by the commission, not less than twenty-five percent of the contract price, in accordance with the bid. If the bidder fails to enter into the contract and furnish the bond within ten days from the date at which he is notified that he is the successful bidder, his check and the amount thereof shall be forfeited to the district.

Sec. 4. Section 2, chapter 124, Laws of 1955 and RCW 54.04.070 are each amended to read as follows:

((All)) Any item, or items of the same kind of materials, equipment, or supplies purchased, the estimated cost of which is in excess of five thousand dollars, exclusive of sales tax shall be by contract: PROVIDED, That a district may make purchases of the same kind of items of materials, equipment and supplies not exceeding five thousand dollars in any calendar month without a contract, purchasing any excess thereof over five thousand dollars by contract. ((and)) Any work ordered by a district commission, the estimated cost of which is in excess of ((five)) ten thousand dollars exclusive of sales tax, shall be by contract, except that 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. Prudent utility management means performing work with regularly employed personnel utilizing material of a worth not exceeding thirty thousand dollars in value without a contract: PROVIDED, That such 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 purchased or acquired and used as one unit of a project. Before awarding such a contract, the commission shall publish a notice once or more in a newspaper of general circulation in the district at least ((thirty)) twenty days before the letting of the contract, inviting sealed proposals for the work or materials; plans and specifications of which shall at the time of the publication be on file at the office of the district subject to public inspection: PROVIDED, That 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.

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: PROVIDED, That where an emergency arises endangering the public safety, or threatening property damage, the commission may purchase materials or order work performed by others in addition to regularly employed personnel in any amount necessary without calling for bids after having taken precautions to secure the lowest price practicable under the circumstances.

Passed the House May 9, 1971.

Passed the Senate May 7, 1971.

Approved by the Governor May 21, 1971.

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CHAPTER 221

[House Bill No. 800]

COOPERATIVE ASSOCIATIONS--

CONVERSION--MERGER

AN ACT Relating to cooperative associations; establishing procedures for conversion of a cooperative association to an ordinary business corporation or for merger with another cooperative association or ordinary business corporation; defining certain terms; and creating new sections.

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

NEW SECTION. Section 1. For the purposes of this act a "domestic" cooperative association or "domestic" corporation is one formed under the laws of this state, and an "ordinary business" corporation is one formed or which could be formed under Title 23A RCW.

NEW SECTION. Sec. 2. (1) A cooperative association may be converted to a domestic ordinary business corporation pursuant to the following procedures:

(a) The board of trustees of the association shall, by