

dollars, or as much thereof as may be necessary, is appropriated for the biennium ending June 30, 1985, from the charitable, educational, penal and reformatory institutions account in the state general fund to the state board for community college education to pay the rents due.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 15, 1985.

Passed the Senate April 11, 1985.

Approved by the Governor April 25, 1985.

Filed in Office of Secretary of State April 25, 1985.

CHAPTER 169

[House Bill No. 949]

ENERGY EQUIPMENT AND SERVICES—PROCUREMENT—PERFORMANCE-BASED CONTRACTS

AN ACT Relating to procurement of energy equipment and services under performance-based contracts by municipalities; amending RCW 35.22.620, 35.23.352, 36.32.240, and 36.32.250; adding a new section to chapter 39.04 RCW; adding a new chapter to Title 39 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that:

- (1) Conserving energy in publicly owned buildings will have a beneficial effect on our overall supply of energy;
- (2) Conserving energy in publicly owned buildings can result in cost savings for taxpayers; and
- (3) Performance-based energy contracts are a means by which municipalities can achieve energy conservation without capital outlay.

Therefore, the legislature declares that it is the policy that a municipality may, after a competitive selection process, negotiate a performance-based energy contract with a firm that offers the best proposal.

NEW SECTION. Sec. 2. Unless the context clearly indicates otherwise, the definitions in this section shall apply throughout this chapter.

(1) "Energy equipment and services" means any equipment, materials, or supplies that are expected, upon installation, to reduce the energy use or energy cost of an existing building or facility, and the services associated with the equipment, materials, or supplies, including but not limited to design, engineering, financing, installation, project management, guarantees, operations, and maintenance.

(2) "Municipality" has the definition provided in RCW 39.04.010.

(3) "Performance-based contract" means one or more contracts for energy equipment and services between a municipality and any other persons or entities, if the payment obligation for each year under the contract, including the year of installation, is either: (a) Set as a percentage of the annual energy cost savings attributable under the contract to the energy equipment and services; or (b) guaranteed by the other persons or entities to be less than the annual energy cost savings attributable under the contract to the energy equipment and services. Such guarantee shall be, at the option of the municipality, a bond or insurance policy, or some other guarantee determined sufficient by the municipality to provide a level of assurance similar to the level provided by a bond or insurance policy.

NEW SECTION. Sec. 3. (1) Each municipality shall publish in advance its requirements to procure energy equipment and services under a performance-based contract. The announcement shall state concisely the scope and nature of the equipment and services for which a performance-based contract is required, and shall encourage firms to submit proposals to meet these requirements.

(2) The municipality may negotiate a fair and reasonable performance-based contract with the firm that is identified, based on the criteria that is established by the municipality, to be the firm that submits the best proposal.

(3) If the municipality is unable to negotiate a satisfactory contract with the firm that submits the best proposal, negotiations with that firm shall be formally terminated and the municipality may select another firm in accordance with this section and continue negotiation until a performance-based contract is reached or the selection process is terminated.

NEW SECTION. Sec. 4. If a municipality chooses, by resolution or other appropriate mechanism, to negotiate a performance-based contract under this chapter, no otherwise applicable statutory procurement requirement applies.

NEW SECTION. Sec. 5. A new section is added to chapter 39.04 RCW to read as follows:

This chapter shall not apply to performance-based contracts, as defined in section 2(3) of this act, that are negotiated under chapter 39.—RCW (sections 2 through 4 of this act).

Sec. 6. Section 1, chapter 56, Laws of 1975 1st ex. sess. as amended by section 1, chapter 89, Laws of 1979 ex. sess. and RCW 35.22.620 are each amended to read as follows:

(1) Any public work or improvement of a first class city shall be done by contract pursuant to public notice and call for competitive bids, whenever the estimated cost of such work or improvement, including the cost of materials, supplies, and equipment will exceed the sum of ten thousand dollars: PROVIDED, That whenever this public work or improvement is for

construction of water mains, such sum shall be fifteen thousand dollars. When any emergency shall require the immediate execution of such public work, upon the finding of the existence of such emergency by the authority having power to direct such public work to be done and duly entered of record, publication of description and estimate may be made within seven days after the commencement of the work.

(2) In addition to the procedures of subsection (1) of this section, a first class city may use a small works roster and award contracts under this subsection for contracts of thirty thousand dollars or less.

(a) The city may maintain a small works roster comprised of all contractors who have requested to be on the roster and are, where required by law, properly licensed or registered to perform such work in this state.

(b) Whenever work is done by contract, the estimated cost of which is thirty thousand dollars or less, and the city uses the small works roster, the city shall invite proposals from all appropriate contractors on the small works roster; PROVIDED, That whenever possible, the city shall invite at least one proposal from a minority contractor who shall otherwise qualify under this section. Such invitation shall include an estimate of the scope and nature of the work to be performed, and materials and equipment to be furnished.

(c) When awarding such a contract for work, the estimated cost of which is thirty thousand dollars or less, the city shall award the contract to the contractor submitting the lowest responsible bid.

(3) This section does not apply to performance-based contracts, as defined in section 2(3) of this 1985 act, that are negotiated under chapter 39.— RCW (sections 2 through 4 of this 1985 act).

Sec. 7. Section 35.23.352, chapter 7, Laws of 1965 as last amended by section 2, chapter 89, Laws of 1979 ex. sess. and RCW 35.23.352 are each amended to read as follows:

(1) Any second or third class city or any town may construct any public work or improvement by contract or day labor without calling for bids therefor whenever the estimated cost of such work or improvement, including cost of materials, supplies and equipment will not exceed the sum of fifteen thousand dollars. Whenever the cost of such public work or improvement, including materials, supplies and equipment, will exceed fifteen thousand dollars, the same shall be done by contract. All such contracts shall be let at public bidding upon posting notice calling for sealed bids upon the work. Such notice thereof shall be posted in a public place in the city or town and by publication in the official newspaper once each week for two consecutive weeks before the date fixed for opening the bids. 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. If there is no official newspaper the notice shall be published in a newspaper published or of general circulation in the city or town. 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 the full amount of the contract price. If the bidder fails to enter into the contract in accordance with his bid and furnish such bond within ten days from the date at which he is notified that he 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. 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 such work or improvement by day labor.

(2) In addition to the procedures of subsection (1) of this section, a second or third class city or a town may use a small works roster and award contracts under this subsection for contracts of twenty thousand dollars or less.

(a) The city or town may maintain a small works roster comprised of all contractors who have requested to be on the roster and are, where required by law, properly licensed or registered to perform such work in this state.

(b) Whenever work is done by contract, the estimated cost of which is twenty thousand dollars or less, and the city uses the small works roster, the city or town shall invite proposals from all appropriate contractors on the small works roster: PROVIDED, That whenever possible, the city or town shall invite at least one proposal from a minority contractor who shall otherwise qualify under this section. Such invitation shall include an estimate of the scope and nature of the work to be performed, and materials and equipment to be furnished.

(c) When awarding such a contract for work, the estimated cost of which is twenty thousand dollars or less, the city or town shall award the contract to the contractor submitting the lowest responsible bid.

(3) Any purchase of supplies, material, equipment or services other than professional services, except for public work or improvement, where

the cost thereof exceeds two thousand dollars shall be made upon call for bids: PROVIDED, That the limitations herein shall not apply to any purchases of materials at auctions conducted by the government of the United States, any agency thereof or by the state of Washington or a political subdivision thereof.

(4) Bids shall be called annually and at a time and in the manner prescribed by ordinance for the publication in a newspaper published or 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.

(5) For advertisement and competitive bidding to be dispensed with as to purchases between two thousand and four thousand dollars, the city legislative authority must authorize by resolution a procedure for securing telephone and/or written quotations from enough vendors to assure establishment of a competitive price and for awarding such contracts for purchase of materials, equipment, or services to the lowest responsible bidder. Immediately after the award is made, the bid quotations obtained shall be recorded and open to public inspection and shall be available by telephone inquiry.

(6) This section does not apply to performance-based contracts, as defined in section 2(3) of this 1985 act, that are negotiated under chapter 39.— RCW (sections 2 through 4 of this 1985 act).

Sec. 8. Section 36.32.240, chapter 4, Laws of 1963 as last amended by section 77, chapter 3, Laws of 1983 and RCW 36.32.240 are each amended to read as follows:

In any county the board of county commissioners may by resolution establish a county purchasing department and thereafter such department shall contract on a competitive basis for all public works and purchase or lease on a competitive basis all supplies, materials, and equipment, for all departments of the county, exclusive of the county hospital, pursuant to the provisions hereof and under such rules as the board shall by resolution adopt, except for such contracts and purchases as shall be made pursuant to RCW 36.77.065, 36.77.070 and 36.82.130, and except for such contracts and purchases for the printing of election ballots, voting machine labels and all other election material containing the names of candidates and ballot titles, and performance-based contracts as defined in section 2(3) of this 1985 act, that are negotiated under chapter 39.— RCW (sections 2 through 4 of this 1985 act): PROVIDED, That in all class AA or class A counties or in any county of the first class it shall be mandatory that a purchasing department be established.

Sec. 9. Section 36.32.250, chapter 4, Laws of 1963 as last amended by section 1, chapter 267, Laws of 1977 ex. sess. and RCW 36.32.250 are each amended to read as follows:

No contract, lease or purchase shall be entered into by the county legislative authority or by any elected or appointed officer of such county until after bids have been submitted to the county legislative authority upon specifications therefor. Such specifications shall be in writing and shall be filed with the clerk of the county legislative authority for public inspection, and an advertisement thereof stating the date after which bids will not be received, the character of the work to be done, or material, equipment, or service to be purchased, and that specifications therefor may be seen at the office of the clerk of the county legislative authority, shall be published in the county official newspaper: PROVIDED, That advertisements for public works contracts for construction, alteration, repair, or improvement of public facilities shall be additionally published in a legal newspaper of general circulation in or as near as possible to that part of the county in which such work is to be done: AND PROVIDED FURTHER, That if the county official newspaper is a newspaper of general circulation covering at least forty percent of the residences in that part of the county in which such public works are to be done publication of an advertisement of the applicable specifications in the county official newspaper only shall be sufficient. Such advertisements shall be published at least once in each week for two consecutive weeks prior to the last date upon which bids will be received and as many additional publications as shall be determined by the county legislative authority. The bids shall be in writing, shall be filed with the clerk, shall be opened and read in public at a meeting of the county legislative authority on the date named therefor in said advertisements, and after being opened, shall be filed for public inspection. No bid shall be considered for public work unless it is accompanied by a bid deposit in the form of a surety bond, postal money order, cash, cashier's check, or certified check in an amount equal to five percent of the amount of the bid proposed. The contract for the public work, lease or purchase shall be awarded to the lowest responsible bidder; taking into consideration the quality of the articles or equipment to be purchased or leased. Any or all bids may be rejected for good cause. The county legislative authority shall require from the successful bidder for such public work a contractor's bond in the amount and with the conditions imposed by law. Should the bidder to whom the contract is awarded fail to enter into the contract and furnish the contractor's bond as required within ten days after notice of the award, exclusive of the day of notice, the amount of the bid deposit shall be forfeited to the county and the contract awarded to the next lowest and best bidder. The bid deposit of all unsuccessful bidders shall be returned after the contract is awarded and the required contractor's bond given by the successful bidder is accepted by the county legislative authority. In the letting of any contract, lease or purchase involving less than three thousand five hundred dollars, advertisement and competitive bidding may be dispensed with on order of the county legislative

authority. Notice of intention to let contracts or to enter into lease agreements involving amounts exceeding one thousand dollars but less than three thousand five hundred dollars, shall be posted by the county legislative authority on a bulletin board in its office not less than three days prior to making such lease or contract. For advertisement and competitive bidding to be dispensed with as to purchases between one thousand and three thousand five hundred dollars, the county legislative authority must authorize by resolution a county procedure for securing telephone and/or written quotations from enough vendors to assure establishment of a competitive price and for awarding such contracts for purchase of materials, equipment or services to the lowest responsible bidder. Immediately after the award is made, the bid quotations obtained shall be recorded and open to public inspection and shall be available by telephone inquiry. Wherever possible, supplies shall be purchased in quantities for a period of at least three months, and not to exceed one year. Supplies generally used throughout the various departments shall be standardized insofar as possible, and may be purchased and stored for general use by all of the various departments which shall be charged for the supplies when withdrawn from the purchasing department.

This section does not apply to performance-based contracts, as defined in section 2(3) of this 1985 act, that are negotiated under chapter 39.—RCW (sections 2 through 4 of this 1985 act).

NEW SECTION. Sec. 10. Sections 2 through 4 of this act shall constitute a new chapter in Title 39 RCW.

Passed the House March 19, 1985.

Passed the Senate April 12, 1985.

Approved by the Governor April 25, 1985.

Filed in Office of Secretary of State April 25, 1985.

CHAPTER 170

[Engrossed Senate Bill No. 3494]

TURKEY SHOOTS

AN ACT Relating to turkey shoots conducted by charitable or nonprofit organizations; and amending RCW 9.46.030.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 2, chapter 139, Laws of 1981 as amended by section 1, chapter 70, Laws of 1984 and RCW 9.46.030 are each amended to read as follows:

(1) The legislature hereby authorizes bona fide charitable or nonprofit organizations to conduct bingo games, raffles, amusement games, and fund raising events, and to utilize punch boards and pull-tabs and to allow their