

(8) Should the legislature revoke the service credit authorized under this section or repeal this section, no affected employee is entitled to receive the credit as a matter of contractual right.

Passed the House March 13, 1987.

Passed the Senate April 9, 1987.

Approved by the Governor April 21, 1987.

Filed in Office of Secretary of State April 21, 1987.

CHAPTER 119

[House Bill No. 410]

STATE CLEARINGHOUSE FOR EDUCATIONAL INFORMATION REVOLVING FUND CREATED

AN ACT Relating to the state clearinghouse for educational information revolving fund; and adding a new section to chapter 28A.03 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 28A.03 RCW to read as follows:

There is hereby created the state clearinghouse for educational information revolving fund in the custody of the state treasurer. The fund shall consist of: Funds appropriated to the revolving fund, gifts or grants made to the revolving fund, and fee revenues assessed and collected by the superintendent of public instruction pursuant to RCW 28A.03.510. The superintendent of public instruction is authorized to expend from the state clearinghouse for educational information revolving fund such funds as are necessary for the payment of costs, expenses, and charges incurred in the reproduction, handling, and delivery by mail or otherwise of materials and information furnished pursuant to RCW 28A.03.510(3).

The fund is subject to the allotment procedure provided under chapter 43.88 RCW, but no appropriation is required for disbursements.

Passed the House March 18, 1987.

Passed the Senate April 7, 1987.

Approved by the Governor April 21, 1987.

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CHAPTER 120

[Engrossed Substitute House Bill No. 186]

MUNICIPAL PUBLIC WORKS

AN ACT Relating to local government; amending RCW 35.23.353; reenacting and amending RCW 35.22.620 and 35.23.352; and adding a new section to chapter 43.09 RCW.

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

Sec. 1. Section 1, chapter 56, Laws of 1975 1st ex. sess. as last amended by section 6, chapter 169, Laws of 1985 and by section 1, chapter 219, Laws of 1985 and RCW 35.22.620 are each reenacted and 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:)~~)
As used in this section, the term "public works" means as defined in RCW 39.04.010.

(2) A first class city may have public works performed by contract pursuant to public notice and call for competitive bids. As limited by subsection (3) of this section, a first class city may have public works performed by city employees in any annual or biennial budget period equal to a dollar value not exceeding ten percent of the public works construction budget, including any amount in a supplemental public works construction budget, over the budget period. The amount of public works that a first class city has a county perform for it under RCW 35.77.020 shall be included within this ten percent limitation.

If a first class city has public works performed by public employees in any budget period that are in excess of this ten percent limitation, the amount in excess of the permitted amount shall be reduced from the otherwise permitted amount of public works that may be performed by public employees for that city in its next budget period. Twenty percent of the motor vehicle fuel tax distributions to that city shall be withheld if two years after the year in which the excess amount of work occurred, the city has failed to so reduce the amount of public works that it has performed by public employees. The amount so withheld shall be distributed to the city when it has demonstrated in its reports to the state auditor that the amount of public works it has performed by public employees has been so reduced.

Whenever a first class city has had public works performed in any budget period up to the maximum permitted amount for that budget period, all remaining public works within that budget period shall be done by contract pursuant to public notice and call for competitive bids.

The state auditor shall report to the state treasurer any first class city that exceeds this amount and the extent to which the city has or has not reduced the amount of public works it has performed by public employees in subsequent years.

(3) In addition to the percentage limitation provided in subsection (2) of this section, a first class city with a population in excess of one hundred fifty thousand shall not have public employees perform a public works project in excess of fifty thousand dollars if more than a single craft or trade

is involved with the public works project, or a public works project in excess of twenty-five thousand dollars if only a single craft or trade is involved with the public works project or the public works project is street signalization or street lighting. In addition to the percentage limitation provided in subsection (2) of this section, a first class city with a population of one hundred fifty thousand or less shall not have public employees perform a public works project in excess of thirty-five thousand dollars if more than one craft or trade is involved with the public works project, or a public works project in excess of twenty thousand dollars if only a single craft or trade is involved with the public works project 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.

(4) In addition to the accounting and record-keeping requirements contained in RCW 39.04.070, every first class city annually shall prepare a report for the state auditor indicating the total public works construction budget and supplemental public works construction budget for that year, the total construction costs of public works performed by public employees for that year, and the amount of public works that is performed by public employees above or below ten percent of the total construction budget. However, if a city budgets on a biennial basis, this annual report shall indicate the amount of public works that is performed by public employees within the current biennial period that is above or below ten percent of the total biennial construction budget.

After September 1, 1987, each first class city with a population of one hundred fifty thousand or less shall use the form required by section 4 of this 1987 act to account and record costs of public works in excess of five thousand dollars that are not let by contract.

(5) The cost of a separate public works project shall be the costs of materials, supplies, equipment, and labor on the construction of that project. The value of the public works budget shall be the value of all the separate public works projects within the budget.

(6) 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. Within two weeks of the finding that such an emergency existed, the city council shall adopt a resolution certifying the existence of this emergency situation.

((2)) (7) In ((addition to)) lieu of the procedures of subsections ((+)) (2) and (6) of this section, a first class city may use a small works roster and award contracts under this subsection for contracts of one hundred 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 one hundred 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 not less than five separate appropriate contractors, if available, shall be invited to submit bids on any one contract: PROVIDED FURTHER, That whenever possible, the city shall invite at least one proposal from a minority or woman contractor who shall otherwise qualify under this section. Once a bidder on the small works roster has been offered an opportunity to bid, that bidder shall not be offered another opportunity until all other appropriate contractors on the small works roster have been afforded an opportunity to submit a bid. Invitations 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 one hundred thousand dollars or less, the city shall award the contract to the contractor submitting the lowest responsible bid.

~~((3))~~ (8) The allocation of public works projects to be performed by city employees shall not be subject to a collective bargaining agreement.

(9) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A RCW.

Sec. 2. Section 35.23.352, chapter 7, Laws of 1965 as last amended by section 7, chapter 169, Laws of 1985, by section 2, chapter 219, Laws of 1985, and by section 24, chapter 469, Laws of 1985 and RCW 35.23.352 are each reenacted and amended to read as follows:

(1) Any second or third class city or any town may construct any public ~~((work or improvement))~~ 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 ~~((fifteen))~~ thirty thousand dollars if more than one craft or trade is involved with the public works, or twenty thousand dollars 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.

Whenever the cost of the public work or improvement, including materials, supplies and equipment, will exceed ~~((fifteen thousand dollars))~~ these figures, 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. The 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. 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 a 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 the work or improvement by day labor.

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

(3) In ~~((addition to))~~ lieu of 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 one hundred 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 one hundred 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 or woman contractor who shall otherwise qualify under this section. The 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 one hundred thousand dollars or less, the city or town shall award the contract to the contractor submitting the lowest responsible bid.

~~((3))~~ (4) After September 1, 1987, each second class city, third class city, and town shall use the form required by section 4 of this 1987 act to account and record costs of public works in excess of five thousand dollars that are not let by contract.

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

(6) Any purchase of supplies, material, equipment or services other than professional services, except for public work or improvement, where the cost thereof exceeds ~~((two))~~ seven thousand five hundred 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))~~ (7) 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))~~ (8) For advertisement and competitive bidding to be dispensed with as to purchases between ~~((two))~~ seven thousand five hundred and ~~((four))~~ fifteen 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 the 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))~~ (9) These requirements for purchasing may be waived by resolution of the city or town council which declared that the purchase is clearly and legitimately limited to a single source or supply within the near vicinity, or the materials, supplies, equipment, or services are subject to special market conditions, and recites why this situation exists. Such actions are subject to RCW 39.30.020.

(10) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A RCW.

Sec. 3. Section 35.23.353, chapter 7, Laws of 1965 and RCW 35.23-.353 are each amended to read as follows:

Any purchase by a municipality of the second, third or fourth class of supplies, material, equipment or services for garbage collection and disposal, except for public work or improvement and except for purchases authorized under RCW 35.23.352 (9) and (10), where the cost thereof exceeds ~~((two thousand dollars))~~ the limits established in RCW 35.23.352 (6) and (8) shall be made upon call for bids in accordance with the procedure prescribed for any public work or improvement in the first paragraph of RCW 35.23.352 as now or hereafter amended. Notwithstanding any provision of law to the contrary, any municipality of the second, third or fourth class may call for bids for garbage collection and disposal for a period of five years or less but in no case for more than five years. The contract shall be awarded to the lowest responsible bidder. Nothing in this section is intended to repeal, amend or change RCW 35.13.280 as now or hereafter amended.

NEW SECTION. Sec. 4. A new section is added to chapter 43.09 RCW to read as follows:

The state auditor, through the division of municipal corporations, shall prescribe a standard form with which the accounts and records of costs shall be maintained as required under RCW 39.04.070.

Passed the House March 19, 1987.

Passed the Senate April 8, 1987.

Approved by the Governor April 21, 1987.

Filed in Office of Secretary of State April 21, 1987.

CHAPTER 121

[House Bill No. 377]

DEFERRED COMPENSATION ACCOUNTS MODIFIED

AN ACT Relating to the deferred compensation revolving fund; and amending RCW 41.04.260.

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

Sec. 1. Section 1, chapter 274, Laws of 1975 1st ex. sess. as last amended by section 23, chapter 57, Laws of 1985 and RCW 41.04.260 are each amended to read as follows:

(1) There is hereby created a committee for deferred compensation to be composed of five members appointed by the governor, one of whom shall be a representative of an employee association or union certified as an exclusive representative of at least one bargaining unit of classified employees, one who shall be a representative of either a credit union, savings and loan association, mutual savings bank or bank, one who possesses expertise in the area of insurance or investment of public funds, one who shall be the state attorney general or his designee, and one additional member selected by the governor. The committee shall serve without compensation but shall receive