

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6167 E SB

Title: Local government procurement

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

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Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/20/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/21/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill delays the effective date to July 1, 2025, for certain public works procurement procedures used by cities, public utility districts, water-sewer districts, and fire protection districts. The bill also delays the effective date that cities and water-sewer districts may have their regularly employed personnel perform "prudent utility management" work to July 1, 2025.

Sec. 1 reenacts and amends RCW 54.04.070 to state that beginning July 1, 2025, public utility districts may award a public works contract to the second lowest bidder if the lowest bidder did not meet certain performance requirements for a public works project within the last three years.

Sec. 2 reenacts and amends RCW 35.23.352 to state that beginning July 1, 2025, a second-class city or town may allow its employees to perform certain "prudent utility management" work without a contract for materials not exceeding \$300,000 in value.

Sec. 3 reenacts and amends RCW 35.22.620 to state that beginning July 1, 2025, a first-class city may allow its employees to perform certain "prudent utility management" work without a contract for materials not exceeding \$300,000 in value.

Sec. 4 reenacts and amends RCW 57.08.050 to state that beginning July 1, 2025, water-sewer districts may allow their employees to perform certain "prudent utility management" work without a contract for materials not exceeding \$300,000 in value. Subsection (8) is also amended to allow these districts to award a public works contract to the second lowest bidder if the lowest bidder did not meet certain performance requirements for a project within the last three years.

Sec. 5 reenacts and amends RCW 52.14.110 to state that beginning July 1, 2025, to state that fire protection districts may award a public works contract to the second lowest bidder if the lowest bidder did not meet certain performance requirements for a project within the last three years.

Sec. 7 is a new section which sets an effective date of July 1, 2024.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have no impact local government expenditures.

The proposed amendments would provide consistency in the procurement rules that are used by first-class and second-class cities, as well as public utility and special purpose districts.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would have no impact on local government revenues.

SOURCES

Association of Washington Cities (AWC)

Washington Association of Sewer and Water Districts

Washington Public Utility District Association (WPUDA)