

Quick Background -- w/ research done and checks with Municipal Research Service Center (MRSC)

- In 2002, the Legislature inserted the trigger to a \$90,000 multi-craft/\$45,000 single-craft bid limit for public works projects to be performed by in-house crews. As Flannary Collins of MRSC wrote, the 2002 legislation (don't have bill number with me) that time-triggered an increase in bid limits for all cities: "*included a provision that further increased it to \$90,000/\$45,000*";
- In 2009, the Legislature passed **ESHB 1847**. While it set the \$90,000/\$45,000 bid limits for first-class cities, it lumped all second-class cities, code cities and towns in a category of \$65,000/\$40,000 for multiple and single trades. In other words, the legislation represented a step backward for all cities that were going to be placed in the \$90,000/\$45,000 categories.
- Additionally, while the bid limits statutes previously had a limitation on in-house public works projects of 10% of annual public works budgets, that percentage limitation was *removed* in the 2009 statute. In other words, while Kent and Bellevue and Renton et al have a multi-craft limit of \$65,000, there is *no annual percentage limit - so theoretically they could do several dozen of these projects*. The 10 percent is voluntarily brought back into the statute in **EHB 2618**.
- In **2618**, we first put in the bill a higher multi-craft bid limit of \$200,000, and then voluntarily brought back an annual percentage limit of 9% that was lower than what used to be in statute. For the House Floor, the \$200K was lowered to \$125K and in exchange we brought the voluntary annual limit % back to 10%;
- For reference, Jim, the \$200,000 matches an in-house limit for ferry workers that was put in the supplemental transportation budget. We had also received information from in-house employee groups that with inflationary changes to costs of materials, equipment, etc., the \$90,000 bid limits first set/time-triggered by the Legislature would

need to be increased just to "buy" what \$90,000 would have in 2002;

- With the Floor Amendment to \$125,000, the AGC, which had signed in and testified opposed to **2618** in House Local Government, removed their active opposition (*they're never going to be "for" a bill that alters bid limits, but we had met with and worked with AGC starting in pre-Session and they stopped working against the bill*)

Inequities in current law (without EHB 2618)

- There are 10 first-class cities in Washington, representing the oldest established cities in the state operating under RCW 35.22 with a population of 10,000 or more: Aberdeen, Bellingham, Bremerton, Everett, Richland, Seattle, Spokane, Tacoma, Vancouver, Yakima. Aberdeen's population is roughly 16,000; Bremerton population is 38,000; Richland population is 49,000;
- There are 11 second-class cities operating as second-class cities under RCW 35.23 with a population of 1,500 or more, these are the listed ones I found in MRSC: Chewelah, Colfax, Colville, Davenport, Palouse, Port Orchard, Ritzville, Tekoa, Wapato.
- There are 189 code cities organized under Title 35A RCW, and 70 towns. The code cities include some of the largest cities in the state such as Bellevue (125,000 population), Kent (120,000), Renton (90,000+), Kennewick (nearly 80,000), Pasco (about 60,000), and Lakewood (about 60,000)
- We have in statute inequities where first-class cities such as Aberdeen, Richland, and Bremerton have considerably more authority than Bellevue, Renton, Kent, Pasco, Kennewick, Lakewood, etc.
- We have in statute bid limits where all the cities I just mentioned have the same authority as 70 towns with extremely small populations, and 11 2nd-class cities with very small populations