

## ESSB 5418

Concerning local government procurement modernization and efficiency.

### NEW SECTION. Sec. 16.

- (1) The legislature finds that there are hundreds of local governments and special purpose districts and due to their existing authority and structure, partial legislative measures are introduced each year to amend the procurement thresholds for each individual entity. Therefore the legislature intends to require a comprehensive review of all local government bid limits for public works projects and purchases, including the small works roster and limited public works processes, rather than amend procurement rules and contract thresholds on a case-by-case basis.
- (2) **Subject to funds appropriated for this purpose**, the **capital projects advisory review board** must review the public works contracting processes for local governments, including the small works roster and limited public works processes provided in RCW 39.04.155, and report to the governor and appropriate committees of the legislature by November 1, 2020. The report must include the following:
  - (a) Identification of the most common contracting procedures used by local governments;
  - (b) Identification of the dollar amounts set for local government public works contracting processes;
  - (c) Analysis of whether the dollar amounts identified in (b) of this subsection comport with estimated project costs within the relevant industries;
  - (d) An analysis of the potential application of an inflation-based increaser, taking regional factors into consideration, to the dollar amounts identified in (b) of this subsection, for example:
    - (i) Applying the implicit price deflator for state and local government purchases of goods and services for the United States as published by the bureau of economic analysis of the federal department of commerce; and
    - (ii) Adjusting the bid limit dollar thresholds for inflation, on a regional basis, by the building cost index during that time period;
  - (e) Recommendations to increase uniformity and efficiency for local government public works contracting and procurement processes;
  - (f) Rates of participation of all contractor types, including qualified minority and women-owned and controlled businesses, in the small works roster and limited public works contracting processes;
  - (g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.
- (3) For purposes of this section:
  - (a) "Local governments" refers to all counties, cities, towns, other political subdivisions, and special purpose districts.
  - (b) "Building cost index" means the building cost index for Seattle, Washington, compiled by engineering news record, a nationally recognized professional construction trade periodical. The building cost index uses average skilled construction labor rates, structural steel, concrete, and lumber as the basis of measurement.