

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

House Committee on Consumer Protection and Government Effectiveness

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO: Joint Ways and Means

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Wendy Simons, Administrator

Meeting Dates:

WHAT THE MEASURE DOES: Requires public agency to include requirement in each public improvement contract that contractor award subcontract only to responsible subcontractor. Requires contractor to check list maintained by Construction Contractors Board to verify eligibility of subcontractor for award of public improvement contract. Requires prospective subcontractor to provide affidavit demonstrating responsibility to contractor. Requires contractor to provide contracting agency with copy of affidavit. Allows Attorney General, Department of Administrative Services, Department of Transportation, or other contracting agency to adopt rules providing form for affidavit. Requires bidder on public contract to submit affidavit demonstrating compliance with state tax laws. Requires contracting agency to bar contractor or subcontractor from award of contract if contractor or subcontractor knowingly makes false statement on affidavit. Declares emergency, effective upon passage. Becomes operative 91 days after effective date.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: No amendments.

BACKGROUND: Under current statutes, contracting agencies must award public improvement contracts to the lowest responsible bidder. Agencies must check the list maintained by the Construction Contractors Board for bidders who are not eligible to be awarded a public improvement contract, and must require bidders to demonstrate that they:

- have the appropriate resources and expertise to complete all responsibilities under the contract,
- hold current licenses required for the work specified in the contract,
- are covered by liability insurance,
- have completed previous contracts of similar nature with a satisfactory performance record,
- have a satisfactory record of integrity, and
- are legally qualified to contract for the project.

House Bill 2617 requires public agencies to include a provision in public improvement contracts that contractors may award subcontracts only to responsible subcontractors, who must provide an affidavit demonstrating their responsibility. The bill also requires a bidder for a public improvement project to submit an affidavit attesting that the bidder does not have outstanding construction debt owed under a court award or to employees as unpaid wages, and that the bidder has complied with state tax laws. A contractor submitting false statements on an affidavit would be barred from receiving awards for public improvements.