

1 the bid deposit shall be forfeited to the district and the contract  
2 may then be awarded to the second lowest bidder.

3 (2) The provisions of this section in regard to public bidding  
4 shall not apply in cases where the board is authorized to exchange  
5 bonds of the district in payment for labor and material.

6 (3) The provisions of this section do not apply:

7 (a) In the case of any contract between the district and the  
8 United States;

9 (b) In the case of an emergency when the public interest or  
10 property of the district would suffer material injury or damage by  
11 delay, upon resolution of the board of directors or proclamation of  
12 an official designated by the board to act for the board during such  
13 emergencies. The resolution or proclamation shall declare the  
14 existence of the emergency and recite the facts constituting the  
15 emergency; or

16 (c) To purchases which are clearly and legitimately limited to a  
17 single source of supply or to purchases involving special facilities,  
18 services, or market conditions, in which instances the purchase price  
19 may be best established by direct negotiation.

\*Sec. 15 was vetoed. See message at end of chapter.

20 NEW SECTION. **Sec. 16.** (1) The legislature finds that there are  
21 hundreds of local governments and special purpose districts and due  
22 to their existing authority and structure, partial legislative  
23 measures are introduced each year to amend the procurement thresholds  
24 for each individual entity. Therefore the legislature intends to  
25 require a comprehensive review of all local government bid limits for  
26 public works projects and purchases, including the small works roster  
27 and limited public works processes, rather than amend procurement  
28 rules and contract thresholds on a case-by-case basis.

29 (2) Subject to funds appropriated for this purpose, the capital  
30 projects advisory review board must review the public works  
31 contracting processes for local governments, including the small  
32 works roster and limited public works processes provided in RCW  
33 39.04.155, and report to the governor and appropriate committees of  
34 the legislature by November 1, 2020. The report must include the  
35 following:

36 (a) Identification of the most common contracting procedures used  
37 by local governments;

Engrossed Substitute Senate Bill 5418 will help improve procurement processes for local governments. Section 15 of the bill amends RCW 87.03.435 relating to irrigation districts. Section 2 of a different bill passed by the Legislature this year, Engrossed Senate Bill 5453, contains the same amendments as well as other changes. Therefore I am vetoing Section 15 of Engrossed Substitute Senate Bill 5418 to avoid these double amendments and any confusion at the Office of the Code Reviser.

I would also note that the Legislature did not provide funding for the Capital Projects Advisory Review Board to review the public works contracting processes for local governments, including the small works roster and limited public works processes as set forth in Section 16. I am directing my Office of Financial Management to work with the Department of Enterprise Services to identify resources so they can begin this important work. In addition, I will be asking the Legislature to include full funding of this study in the 2020 supplemental operating budget.

For these reasons I have vetoed Section 15 of Engrossed Substitute Senate Bill No. 5418.

With the exception of Section 15, Engrossed Substitute Senate Bill No. 5418 is approved."

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