

SENATE BILL REPORT

SHB 2505

AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,
FEBRUARY 26, 1992

Brief Description: Revising bidding practices for municipalities.

SPONSORS: House Committee on Local Government (originally sponsored by Representatives Cooper, Ferguson and Haugen)

HOUSE COMMITTEE ON LOCAL GOVERNMENT

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass as amended.

Signed by Senators McCaslin, Chairman; Madsen, and Sutherland.

Staff: Rod McAulay (786-7754)

Hearing Dates: February 26, 1992

BACKGROUND:

In 1991, the Legislature developed a uniform process for local governments to award contracts for public works projects from a small works roster, and a uniform process for local governments to award small contracts for purchases in lieu of competitive bidding. The legislation was originally drafted to cover most units of local government. The law that was finally enacted, however, only applies to counties because the uniform process provisions were amended onto a bill that applied only to counties.

Fire districts are not authorized to award public works contracts from a small works roster.

Hospital districts are not authorized to award public works contracts from a small works roster. Hospital districts are also not authorized to make purchases without using formal sealed bidding procedures.

Water districts and sewer districts may dispose of surplus property with a value of \$500 or less without using formal notice and sale procedures. Counties and port districts may dispose of surplus property with a value of \$2,500 or less without using formal notice and sale procedures.

Water districts and sewer districts must try to sell surplus property at 90 percent or more of its appraised value for 180 days before it can be sold at public auction for the highest price. It has been suggested that this time period should be shortened.

Notice requirements for the letting of contracts or disposal of surplus property varies between local governments. It has been suggested that this should be standardized.

SUMMARY:

The uniform procedures for awarding public works projects from a small works roster and for awarding small contracts for purchases are made applicable to cities, fire districts, public utility districts, port districts, sewer districts, water districts and hospital districts.

Fire districts may use a small works roster to award contracts for public works with an estimated value of from \$2,500 up to \$10,000.

Hospital districts may use a small works roster to award contracts for public works with an estimated value of from \$5,000 up to \$50,000. Hospital districts may also use the uniform process for awarding contracts for purchases between \$5,000 and \$15,000 in lieu of competitive bidding procedures.

The threshold for water districts and sewer districts to dispose of surplus property without using formal notice and sale requirements is raised from \$500 to \$2,500.

The amount of time which a water district or sewer district must try to sell surplus property at 90 percent or more of its appraised value before it can be sold for the highest price at public auction is reduced from 180 days to 120 days.

Local governments must publish advertisements for bids at least once at least 13 days before the last date upon which bids will be received. Local governments must publish notice of intention to sell surplus property at least once a week for two consecutive weeks. Local governments must publish notice of the existence of a small works roster at least twice a year.

A municipality may invite proposals from all contractors on the small works roster at the same time. A county must award contracts for purchases to the lowest responsible bidder when competitive bidding is used.

Technical changes are made to existing competitive bidding laws.

Appropriation: none

Revenue: none

Fiscal Note: none requested

SUMMARY OF PROPOSED SENATE AMENDMENT:

The dollar level for public works contracts by first class cities at which contractors are required to solicit employment of women and minority group members and to solicit bids for

subcontracting from women and minority businesses certified by the Office of Minority and Women's Business Enterprises is raised from \$10,000 to \$25,000 (\$15,000 to \$30,000 for construction of water mains). The definition of minority business is repealed.

TESTIMONY FOR:

The bill helps the continuing effort to establish uniformity and efficiency in local government bidding process and disposal of surplus property.

TESTIMONY AGAINST: None

TESTIFIED: Rep. Cooper; Joe Daniels, Water Districts; Greg Vigder, Hosp. Dist. Parnell Russell