

HOUSE BILL REPORT

HB 1027

As Reported By House Committee On:
Local Government

Title: An act relating to bidding practices of municipalities.

Brief Description: Revising bidding practices of municipalities.

Sponsors: Representatives Bray, H. Myers, Edmondson and Rayburn.

Brief History:

Reported by House Committee on:
Local Government, January 26, 1993, DP.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 11 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Rayburn; Romero; Springer; and Van Luven.

Staff: Bill Lynch (786-7092).

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 of Bill: 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 \$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 \$5,000 up to \$50,000. Hospital districts may also use the uniform process for awarding contracts for purchases between \$5,000 up to \$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 up 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 at 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.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Small works rosters allow local governments to engage in competitive bidding at a reduced cost. This bill will make it easier for local governments to utilize small works rosters.

Testimony Against: None.

Witnesses: (Pro): Dick Ducharme, Utility Contractors Association of Washington; and Greg Vigdor, Washington State Hospital Association.