

HOUSE BILL REPORT

SHB 1457

As of House Second Reading
March 13, 1993

Title: An act relating to school district competitive bidding.

Brief Description: Raising the minimum dollar amount requiring competitive bidding by school districts.

Sponsors: By House Committee on Education (originally sponsored by Representatives Peery, Dorn, Brough, Brumsickle, Chappell, Leonard, Jones, Pruitt, Ogden, Basich, Rayburn, Karahalios, G. Cole, Springer, Locke, Eide, Mastin, Cothorn, G. Fisher, Morris and H. Myers.)

Brief History:

Reported by House Committee on:
Education, February 26, 1993, DPS;
Second Reading, March 13, 1993.

HOUSE COMMITTEE ON EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Dorn, Chair; Cothorn, Vice Chair; Brough, Ranking Minority Member; Thomas, Assistant Ranking Minority Member; Brumsickle; Carlson; G. Cole; Eide; G. Fisher; Hansen; Holm; Jones; Karahalios; J. Kohl; Patterson; and Pruitt.

Minority Report: Do not pass. Signed by 2 members: Representatives Stevens; and Vance.

Staff: Margaret Allen (786-7191).

Background: A school district may make improvements or repairs to district property through the district's shop and repair department when the total cost does not exceed \$7,500. A school district must engage in a competitive bid process for purchases (excluding books), building improvements or repairs, or other projects costing or estimated to cost more than \$7,500.

For every purchase (excluding books) costing or estimated to cost from \$7,500 to \$20,000, the school board must establish a procedure for securing quotations for the purchases from

at least three sources, and must record the quotations for public perusal.

The school board may award a building, improvement, repair or other public works project costing or estimated to cost from \$7,500 to \$20,000 to a contractor on the small works roster following a limited competitive bidding process. The small works roster consists of all responsible contractors who have asked to be on the list.

For any purchase (excluding books) or project estimated to cost at least \$20,000, an enlarged competitive bidding process must be followed. The process includes notice by newspaper publication, the preparation of complete plans and specifications, and providing the opportunity to examine specifications and other information.

Summary of Bill: The \$7,500 ceiling on the cost of purchases and projects before a competitive bidding process must be used is raised to \$15,000.

The \$20,000 ceiling on the use of a limited competitive bidding process is raised to \$50,000.

Purchases (excluding books) or projects estimated to cost at least \$50,000, require the enlarged competitive bidding process.

Fiscal Note: Available.

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

Testimony For: Raising the bid limits will give school districts the opportunity to respond more quickly and efficiently as needs arise. The bid requirement increases costs by adding in the contractor's profit margin, and by having to advertise, develop project specifications, deal with change orders, and go through inspections and closing. The \$7,500 bid limit unfairly limits the flexibility of K-12 schools.

Testimony Against: This bill is a major assault on small businesses, and fosters the growth of state and local government. Competitive bidding laws avoid fraud and collusion. The basic rule of a private enterprise system is that work is to be done by private enterprise.

Witnesses: John Helmlinger and Larry Mjelde, Tacoma School District (pro); Dennis Randolph, Selah School District (pro); Don Glitschka, North Thurston School District (pro); Chris Townley, Public School Employees of Washington (pro);

Bill Branch, Franklin-Pierce School District (pro); Victor Espinosa, Clover Park School District (pro); Doug Bohlke, Subcontractors' Association (con); Duke Schaub, AGC of Washington (con); and Larry Stevens, United Subcontractors' Association (con).