

HOUSE BILL REPORT

2SHB 1457

As Amended by Senate

Title: An act relating to school district competitive bidding.

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

Sponsors: 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, January 25, 1994, DP2S;
Passed House, February 15, 1994, 86-4;
Amended by Senate.

HOUSE COMMITTEE ON EDUCATION

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 18 members: Representatives Dorn, Chair; Cothorn, Vice Chair; Brough, Ranking Minority Member; B. Thomas, Assistant Ranking Minority Member; Brumsickle; Carlson; G. Cole; Eide; G. Fisher; Hansen; Holm; Jones; Karahalios; J. Kohl; Patterson; Pruitt; Roland; and L. Thomas.

Staff: Robert Butts (786-7111).

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 secure 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 projects before a competitive bidding process must be used is raised to \$15,000 if more than one craft or trade is involved, or \$10,000 if a single craft or trade is involved.

The \$7,500 ceiling on purchases 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.

EFFECT OF SENATE AMENDMENT(S): Bid limits are changed. For school districts with 15,500 students or more, the limit for all in-house work is \$15,000. For districts with fewer than 15,500 students, the limit is \$15,000 for multiple trade projects, and \$10,000 for single trade projects.

The bill, as it passed the House, had a \$15,000 limit for multiple trade projects, and a \$10,000 limit for single trade projects. A distinction was not made for school district size.

Fiscal Note: Requested on Substitute January 11, 1994. Not necessary for the second substitute bill.

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

Testimony For: Bid limits are inefficient. School districts often pay more for projects when districts are required to contract out. It also takes more time. School districts will go out to bid when it makes sense to do so. We would like the same bid limits as higher education.

Testimony Against: We need more privatization and contracting out: that's what reinventing government is all about. The job of school districts should be to educate kids. The private sector should construct and remodel schools.

Witnesses: Rudy Fyles and Peter Keithly, South Kitsap School District (support); Dave Westberg, International Union of Operating Engineers (supports); Glenn Gorton, Public School Employees Association (supports); Ted Bolden, Kelso School District (supports); Doug Bohlke, Sub-contractors Association (opposed); Dick Ducharme, Utility Sub-contractors (opposed); and John Kvamme, Tacoma Public Schools (supports).

VOTE ON FINAL PASSAGE:

Yeas 86; Nays 4; Excused 8

Nays: Representatives Backlund, G. Cole, Jones, Van Luven

Excused: Representatives Brough, Campbell, Lemmon, Mielke, Scott, Sommers, Tate, Wineberry