

HOUSE BILL REPORT

SSB 5048

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: Senate Committee on Government Operations
(originally sponsored by Senator Haugen).

Brief History:

Reported by House Committee on:
Local Government, April 2, 1993, DPA.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass as amended. Signed by 10 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; Horn; Rayburn; Romero; Springer; and Van Luven.

Minority Report: Without recommendation. Signed by 2 members: Representatives R. Fisher; and Zellinsky.

Staff: Bill Lynch (786-7092).

Background: In 1991, the Legislature enacted a statute establishing 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 statute, however, only applies to counties because the initial bill was amended onto a bill that applied only to counties.

Under current law:

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, nor may they

make purchases without using a formal sealed bid procedure;

Water districts and sewer districts may dispose of surplus property with a value of \$500 or less without using formal notice and sale procedures, whereas the limit for counties and port districts is \$2,500;

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 to the highest bidder; and

Notice requirements for the letting of contracts or disposal of surplus equipment vary between local governments.

Summary of Amended 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 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.

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. Service contracts are excluded from county competitive bidding requirements.

Technical changes are made to existing competitive bidding laws.

Amended Bill Compared to Substitute Bill: Amendment retains requirement that all counties must use competitive bidding for purchases of materials, equipment, and supplies.

Fiscal Note: Not requested.

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

Testimony For: Some provisions regarding counties have caused confusion and require clarification. This bill provides that clarification. Standardization of procedures will encourage more effective use of the small works rosters.

Testimony Against: None.

Witnesses: Greg Vigdor, Washington State Hospital Association.