

HOUSE BILL REPORT

HB 2321

As Reported By House Committee On:
Local Government

Title: An act relating to standardizing competitive bidding procedures.

Brief Description: Standardizing competitive bidding procedures.

Sponsors: Representatives Springer, H. Myers, Edmondson, Johanson and Jones.

Brief History:

Reported by House Committee on:
Local Government, February 1, 1994, DPS.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives H. Myers, Chair; Springer, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Moak; Rayburn; Van Luven and Zellinsky.

Staff: Bill Lynch (786-7092).

Background: The statutory exemptions from competitive bidding differ between various units of local government for both purchases and public works. In addition, the definition of what constitutes an "emergency" differs among those units of local government that have a statutory exemption from competitive bidding for emergencies.

When the Legislature established a uniform process for municipalities to award contracts from a small works roster or vendor list, the statutes pertaining to school districts were not included. The only units of local government required to use competitive bidding when purchasing services are second class cities, third class cities and towns.

Summary of Substitute Bill: Uniform exemptions to competitive bidding are provided for municipalities. Competitive bidding may be waived by resolution of the municipality's governing body for: (1) purchases limited to a single source of supply; (2) purchases involving special

facilities, services or market conditions; (3) purchases in the event of an emergency; (4) purchases of insurance or bonds; (5) purchases of computer systems; and (5) public works in the event of an emergency.

The governing body of the municipality must state in the resolution waiving competitive bidding the reasons why the situation exists and the economic or health-related justifications for the waiver. The resolution must be adopted by the municipality prior to the final award of the contract unless there is an emergency.

If there is an emergency, the person or persons designated by the governing body of the municipality to act in an emergency may let all contracts necessary to address the emergency. The governing body must adopt the resolution waiving competitive bidding at its next regularly-scheduled meeting or within two weeks, whichever is later. An "emergency" is defined as unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury or loss of life if immediate action is not taken.

School districts must follow the uniform process established during the 1993 session for awarding contracts from a small works roster or vendor list. Second class cities, third class cities and towns are no longer required to competitively bid purchases of services.

Substitute Bill Compared to Original Bill: Language is added to clarify that the legislation does not limit current municipal authority. References to irrigation districts are removed. The definition of emergency is amended to be more consistent with current law pertaining to local governments. Local governments must adopt a resolution within two weeks after an emergency.

Fiscal Note: Not requested.

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

Testimony For: This establishes a workable process for using exemptions to competitive bidding. This will standardize how services are treated and end confusion.

Testimony Against: None.

Witnesses: Doug Bohlke, United Subcontractors Association; Joe Daniels, Washington State Water/Wastewater Association;

Jim Justin, Association of Washington Cities; Mike Schwisow, Washington State Water Resources Association (pro, with amendments); and Duke Schaub, Associated General Contractors.