

SENATE BILL REPORT

2SHB 1457

AS REPORTED BY COMMITTEE ON EDUCATION, FEBRUARY 25, 1994

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)

HOUSE COMMITTEE ON EDUCATION

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass as amended.

Signed by Senators Pelz, Chairman; McAuliffe, Vice Chairman; Gaspard, M. Rasmussen, Rinehart, Skratek and A. Smith.

Staff: Leslie Goldstein (786-7424)

Hearing Dates: February 22, 1994; February 25, 1994

BACKGROUND:

Improvements or repairs in-house. 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.

Improvements or repairs, small works roster. 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.

Improvements or repairs, full-scale competitive bids. For any building, improvement or repair exceeding \$20,000, a full-scale competitive bidding process must be used. The process includes notice by newspaper publication, the preparation of complete plans and specifications, and providing the opportunity to examine specifications and other information.

Purchases. 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 any purchase (excluding books) estimated to cost at least \$20,000, an full-scale competitive bidding process must be followed.

SUMMARY:

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

Purchases. The \$7,500 ceiling on purchases before a competitive bidding process must be used is raised to \$15,000.

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

SUMMARY OF PROPOSED COMMITTEE AMENDMENT:

The ceiling on in-house work is raised to \$15,000 for both single and multiple crafts or trades.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The limits in the House Bill are a reasonable compromise. Small contractors' livelihood depends upon the ability to compete for contracts. Minority and women contractors would be hurt if the bid limits were raised further.

TESTIMONY AGAINST:

The limits in the bill as it came from the House are too low. The limit for in-house work should be raised to \$15,000. Bid limits have not been changed in years. Please consider an inflation factor so this issue is not revisited too often. When choosing to do work in-house, schools look at skills, not just dollar limits.

TESTIFIED: PRO: Duke Schaub, Assn. of General Contractors; Doug Bohlke, United Subcontractors Assn.; CON: Lyn McKinnon, Public School Employees; Don Glitschka, Maintenance Director, North Thurston School District