

SENATE BILL REPORT

SSB 5048

AS PASSED SENATE, FEBRUARY 16, 1993

Brief Description: Revising bidding practices of municipalities.

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

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5048 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, Owen, von Reichbauer, and Winsley.

Staff: Rod McAulay (786-7754)

Hearing Dates: January 20, 1993; January 26, 1993

HOUSE COMMITTEE ON LOCAL GOVERNMENT

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:

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.

Only counties which choose to establish purchasing departments are governed by provisions regulating purchasing departments. Service contracts are excluded from regulations on county purchasing departments.

Technical changes are made to existing competitive bidding laws.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Uniform authority to use small works rosters and vendor lists is extended to a variety of types of local governments.

TESTIMONY AGAINST (original bill):

Some provisions regarding counties have caused confusion and require clarification.

TESTIFIED: Greg Vigdor, fire districts; Gary Lowe, WSAC

HOUSE AMENDMENT(S):

A clause is deleted which exempts counties that do not create a purchasing department from the competitive bidding requirements for purchase contracts.