

SENATE BILL REPORT

SB 5405

AS REPORTED BY COMMITTEE ON EDUCATION, FEBRUARY 24, 1993

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

SPONSORS: Senators Pelz, Oke, McAuliffe and Winsley

SENATE COMMITTEE ON EDUCATION

Majority Report: That Substitute Senate Bill No. 5405 be substituted therefor, and the substitute bill do pass.

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

Staff: Leslie Goldstein (786-7424)

Hearing Dates: February 8, 1993; February 24, 1993

BACKGROUND:

State law requires school districts to engage in a competitive bid process for purchases, excluding the purchases of books, and for buildings, improvements, repairs or other public works projects costing or estimated to cost more than \$7,500. The competitive bid limit for school districts was last raised in 1985.

SUMMARY:

School districts' bid limits are raised.

When purchasing furniture, equipment and supplies, (other than the purchase of books), school districts must request quotations or telephone bids for purchases between \$30,000 and \$50,000. (Current law requires quotes or bids to be required for purchases between \$7,500 and \$20,000.) Competitive bids must be used for purchases over \$50,000.

For buildings, improvements, repairs or other public works projects, districts may do the projects through the district's repair or shop department if the total cost of the project does not exceed \$30,000. (Current law sets the limit at \$7,500.)

For buildings, improvements, repairs or other public works projects between \$30,000 and under \$50,000, districts may use contractors on a small works roster, seeking telephone or written quotations from those contractors. (Current law sets the limits between \$7,500 and \$20,000.)

For buildings, improvements, repairs or other public works projects over \$50,000, districts must use competitive bids. (Current law sets the limit at \$20,000.)

EFFECT OF PROPOSED SUBSTITUTE:

Districts may do repairs or other public works projects through their in-house repair shops on projects less than \$20,000.

When making purchases, the limits for bids are changed to \$15,000 for telephone quotes and \$35,000 for competitive bids.

Districts may use a small works roster for projects between \$20,000 and \$35,000 and must request competitive bids on projects over \$35,000.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Higher bid limits will help school districts function more effectively and efficiently. The higher limit for in-house projects will help school districts be more flexible and responsive and save money.

TESTIMONY AGAINST:

This legislation hurts small businesses. Public employment grows at the expense of private employment. Contractors pay higher wages for labor on public works projects under the prevailing wage law. School district employees receive lower wages.

TESTIFIED: PRO: Rudy Files, South Kitsap School District; John Helmlinger, Tacoma Schools; Larry Mjulse, Tacoma Public Schools; Pete Keithly, South Kitsap School District; Don Glitschka, North Thurston Schools; Chris Townley, Deane Jones, Bill Branch, Glenn Gorton, public school employees; Jerry High, Highline School District; CON: Duke Schaub, Assn. of General Contractors; Doug Bohelee, Subcontractors; Larry Stevens, United Subcontractors Assn.