HOUSE BILL REPORT
SHB 2077

As Amended by the Senate

Title: An act relating to competitive bidding.

Brief Description: Providing uniform exemptions to competitive bidding procedures utilized by municipalities when awarding contracts for public works and contracts for purchases.

Sponsors: By House Committee on Government Administration (originally sponsored by Representatives D. Schmidt, Scott and D. Sommers).

Brief History:
  Committee Activity:
    Government Administration: 3/4/97, 3/5/97 [DPS].
  Floor Activity:
    Passed House: 3/15/97, 96-0;
    Passed House: 1/23/98, 94-0.
    Senate Amended.

HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Dunshee; Murray; Reams; Smith; L. Thomas; Wensman and Wolfe.

Staff: Bill Lynch (786-7092).

Background: The statutory exemptions from competitive bidding differ between various units of local governments for both public works and purchases. Public hospital districts, for example, have no exemptions from competitive bidding. There is no uniform definition of what constitutes an "emergency" for those units of local government whose governing statutes provide an exemption from competitive bidding for emergencies.

Summary of Bill: Uniform exemptions from competitive bidding are established for cities and towns, counties, fire districts, port districts, public utility districts, water-sewer districts, and public hospital districts.

Competitive bidding requirements may be waived by the municipality's governing body for purchases from sole source suppliers, purchases involving special facilities or market conditions, purchases in the event of an emergency, purchases of insurance or bonds, and public works in the event of an emergency.

The governing body of the municipality may waive competitive bidding procedures either by adopting a resolution or by written policies adopted by the municipality. The resolution must state the factual basis for the exception

If written policies are used to waive competitive bidding requirements, the contract and the factual basis for the exception must be recorded and open to public inspection immediately after the contract is awarded.

If an emergency exists, the person or persons designated by the municipality to act in an emergency may declare that an emergency exists, waive the competitive bidding requirements, and award all necessary contracts to address the emergency. The governing body must make a written finding of the existence of the emergency and enter it into the record no later than two weeks after the award of the contract.

An emergency is defined as unforseen 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.

EFFECT OF SENATE AMENDMENT(S): 1997 changes to several underlying statutes are inserted. A county with a population of one million or more may lease space with an option to purchase in the same manner that cities may lease space with an option to purchase.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Only about 40 cities and towns in the state have an exemption for an emergency for public works. This bill has been worked with many stakeholders.

Testimony Against: (Original) It is unnecessary to require the municipality to pass a resolution each time an exemption applies.

Testified: Representative Dave Schmidt, prime sponsor; George Walk, Pierce County (with concerns); and Jim Justin, Association of Washington Cities (pro).