

# SENATE BILL REPORT

## SB 5525

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As Reported By Senate Committee On:  
Government Operations, March 4, 1997

**Title:** An act relating to exemptions from formal competitive bidding procedures for goods and services.

**Brief Description:** Allowing for exemptions from competitive bidding in some circumstances.

**Sponsors:** Senators Haugen, Horn, Jacobsen and Hale.

**Brief History:**

**Committee Activity:** Government Operations: 2/21/97, 3/4/97 [DPS].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** That Substitute Senate Bill No. 5525 be substituted therefor, and the substitute bill do pass.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Haugen, Horn and Patterson.

**Staff:** Diane Smith (786-7410)

**Background:** Goods and services are purchased by municipalities according to statutory requirements designed to avoid improprieties. Compliance with these requirements, including publication and formal sealed competitive bidding, is costly both to the municipality and to the bidding contractor. One of the reasons for the costliness is that the bidding requirements for the various municipalities differ in their technical specifics. This necessitates a high degree of legal expertise on the part of a contractor wishing to compete for jobs offered by different types of municipalities. Compliance with the formal requirements is also time consuming which may be inappropriate in emergency situations.

**Summary of Substitute Bill:** Optional, supplementary exemptions to competitive bidding procedures are established for municipalities contracting for the provision of goods and services. This optional procedure can be applied in the case of emergency situations; when the purchase price may best be established by direct negotiation; when the purchase involves a single source of supply, special facilities or market conditions or insurance or bonds. An open, public process is required. The municipality may designate a person to declare the emergency and award necessary contracts. The written finding of an emergency situation must be made within two weeks following the award of the contract.

**Substitute Bill Compared to Original Bill:** The substitute bill defines municipality— more broadly to include every city, county, town, district or other public agency thereof, excluding diking and drainage districts. The definition of emergency— is changed. The emergency must be declared within two weeks of the award of the contract. The distinction between emergency contracts above and below \$50,000 is removed. The specific processes required to administer the award of emergency contracts are removed. References are made

to the specific statutes governing first and second class cities, counties, fire protection districts, PUDs, hospital districts and water-sewer districts. The emergency clause is removed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This bill provides adequate public notice and process to protect the public.

**Testimony Against:** This bill makes it harder for contractors to decide what the law is because it is an additional procedure.

**Testified:** Dick Ducharme, Utility Contractors Association (con); Larry Stevens, United Subcontractors Association (con); Jim Justin, AWC (pro).