

# HOUSE BILL REPORT

## 2SHB 2100

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### As Passed Legislature

**Title:** An act relating to increasing bid limits for the alternative bid procedure under RCW 39.04.190.

**Brief Description:** Increasing bid limits for PUDs using the alternative bid procedure under RCW 39.04.190.

**Sponsors:** By House Committee on State Government (originally sponsored by Representatives Dunshee, Mulliken and Berkey).

#### **Brief History:**

##### **Committee Activity:**

State Government: 1/22/02, 1/24/02 [DP2S].

##### **Floor Activity:**

Passed House: 2/9/02, 97-0.

Passed Senate: 3/5/02, 42-4.

Passed Legislature.

#### **Brief Summary of Second Substitute Bill**

- Increases the maximum contract amount that a public utility district may purchase of the same kind of materials, equipment, or supplies using the vendor list procedure from \$35,000 to \$50,000, exclusive of sales tax.
- Increases the maximum dollar amount of materials, supplies, and equipment that a public utility district may purchase without bidding from \$5,000 to \$10,000, exclusive of sales tax.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 7 members: Representatives Romero, Chair; Miloscia, Vice Chair; McMorris, Ranking Minority Member; McDermott, Schindler, Schmidt and Upthegrove.

**Staff:** Marsha Reilly (786-7135).

**Background:**

Local governments generally are allowed to purchase materials, supplies, and equipment below a certain dollar value without following a competitive bidding procedure. Formal competitive bidding procedures are required to be followed for purchases above a certain dollar value, with exceptions for emergency purchases and sole source purchases.

Legislation was enacted in 1993 establishing a uniform vendor list procedure for a number of different types of local governments to award medium dollar valued contracts for purchasing materials, supplies, equipment, or services.

A vendor list is established by publishing a notice, at least twice a year, soliciting vendors for inclusion on the list, and initiating procedures for securing telephone or written quotations from at least three different vendors on the list whenever possible to assure that a competitive price is established and the award is made to the lowest responsible bidder.

The same criteria authorized for the Department of General Administration to determine the lowest responsible bidder may be used, including bid price, ability to perform, experience, ability to perform within timelines, quality of past performance, and previous and past compliance with laws relating to the contract. Immediately after the award is made, the bid quotations are open for public inspection and are available by telephone inquiry.

The statute authorizing each local government to use the vendor list procedure establishes a range of dollar values of purchases that may be made using this procedure. Generally purchases below that range of dollar values may be made without any competitive solicitation and purchases above that range must be made using formal competitive bidding procedures.

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**Summary of Second Substitute Bill:**

The maximum dollar value of a purchase of materials, supplies, and equipment that a public utility district may make using the vendor list process is increased from \$35,000 to \$50,000, not including sales tax.

The minimum dollar value of a purchase of materials, supplies, and equipment that a public utility district may make using the vendor list process is increased from \$5,000 to \$10,000, not including sales tax.

The maximum cost of materials, supplies, and equipment that may be purchased by a public utility district without bidding is increased from \$5,000 to \$10,000, not including sales tax.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Increasing the dollar range for the alternative bid process will allow for more flexibility and will streamline purchasing and allows us to save time and money. It encourages small and medium-size businesses to become vendors.

**Testimony Against:** None

**Testified:** Al Aldrich and Judi Spence, Snohomish County Public Utility District.