

**State Government Committee**

**HB 2100**

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

**Sponsors:** *Representatives Dunshee, Mulliken and Berkey.*

**Brief Summary of Bill**

- *Increases the maximum cost of a purchase of materials, supplies, or equipment that a public utility district may make using the vendor list procedure from \$35,000 to \$100,000, not including sales tax.*
- *Requires purchases of materials, supplies, or equipment that a public utility district makes with a cost of between \$5,000 and \$15,000, not including sales tax, to be made using formal competitive bidding procedures.*

**Hearing Date:** *2/21/01*

**Staff:** *Steve Lundin (786-7127).*

**Background:**

*Local governments generally are allowed to purchase materials, supplies, and equipment below a certain dollar value without following some sort of competitive bidding procedure. Frequently, formal competitive bidding procedures are required to be followed for purchases above a certain dollar value. Exceptions are provided, including 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. The vendor list procedure somewhat resembles the small works roster procedure for awarding contracts for public works projects.*

*Local governments establish a vendor list by publishing a notice, at least twice a year, soliciting vendors for inclusion on the list, and establish 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 award the contract 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. For example, purchases under the vendor list process may be made as follows:*

- A county may use this procedure for purchases between \$2,500 and \$25,000, with purchases below \$2,500 allowed without competitive bidding procedure;*
- A city or town may use this procedure for purchases between \$7,500 and \$15,000, with purchases below \$7,500 allowed without competitive bidding;*
- A fire protection district may use this procedure for purchases of up to \$10,000, with purchases below \$4,500 allowed without competitive bidding;*
- A public utility district may use this procedure for purchases between \$5,000 and \$35,000, not including sales tax, with purchases below \$5,000, not including sales tax, allowed without competitive bidding;*
- A water/sewer district may use this procedure for purchases of up to \$50,000, with purchases below \$5,000 allowed without a competitive bidding; and*
- A public hospital district may use this procedure for purchases between \$5,000 and \$15,000, with purchases below \$5,000 allowed without a competitive bidding.*

***Summary of 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, not including sales tax, to \$100,000, 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, not including sales tax, to \$15,000, not including sales tax.*

*As a result, any purchase of materials, supplies, and equipment that a public utility district*

*makes, with a value of between \$5,000 and \$15,000, not including sales tax, must be made using formal competitive bidding procedures.*

***Rulemaking Authority:*** *No express authority.*

***Appropriation:*** *None.*

***Fiscal Note:*** *Not Requested.*

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