

SENATE BILL REPORT

SB 6283

As Passed Senate, February 13, 2002

Title: An act relating to competitive bidding requirements for public hospital districts.

Brief Description: Changing the monetary threshold for competitive bidding requirements for public hospital districts.

Sponsors: Senators Gardner, Swecker, T. Sheldon, Haugen and Rasmussen.

Brief History:

Committee Activity: State & Local Government: 1/21/02, 1/31/02 [DP].

Passed Senate: 2/13/02, 42-5.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Gardner, Chair; Fairley, Vice Chair; Hale, Haugen, Horn, Keiser, McCaslin, T. Sheldon and Swecker.

Staff: Mac Nicholson (786-7445)

Background: All materials purchased and work ordered for a public hospital district, the estimated cost of which is in excess of \$5,000, must be done by contract. Before awarding a contract for such work, the public hospital district commission must publish notice, at least 13 days before the last day bids will be received, inviting sealed proposals for the work. The commission must canvass the bids and may award the contract to the lowest responsible bidder.

Alternatively, a public hospital district may award contracts if the materials purchased and work ordered are \$200,000 or less using the small works roster process. The small works roster process allows state agencies or authorized local governments to maintain a small works roster consisting of all responsible contractors who have requested to be on the list. Before awarding a contract under this process, the agency or authorized government must solicit a minimum of five quotations from contractors on the small works roster capable of performing the needed work.

For public works projects where the materials purchased and work ordered are \$35,000 or less, a state agency or authorized local government (public hospital district) may use the limited public works process. The limited public works process requires solicitation of at least three quotations from contractors on the small works roster before a contract can be awarded.

Summary of Bill: The estimated amount of the materials purchased and work ordered required to trigger competitive bidding requirements is increased to \$50,000.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Day labor limits were set in 1945 and have not been adjusted for inflation. Small, rural hospital districts need the flexibility provided by a higher day labor limit to update their facilities, especially on the smaller jobs where it is difficult to get bids.

Testimony Against: The small works roster and limited public works process provide adequate alternatives when bids are difficult to get. A higher day labor limit may lead to hospital districts inappropriately awarding contracts to unqualified individuals or businesses.

Testified: PRO: Taya Briley, Assn. of Wa. Public Hospital Districts; CON: Mel Sorensen, Contractors Bonding and Insurance Co.; Rick Slunaker, Associated General Contractors; Gary Smith, Independent Business Assn.; Larry Stevens, NECA/MCA, Subcontractors Associations; Rowland Thompson, Allied Daily Newspapers.