

HOUSE BILL REPORT

HB 2183

As Amended by the Senate

Title: An act relating to the amount allowed for unbid sewer and water projects.

Brief Description: Adjusting the amount allowed for unbid sewer and water projects.

Sponsors: By Representatives Ericksen and Romero.

Brief History:

Committee Activity:

Local Government: 3/3/03, 3/5/03 [DP].

Floor Activity:

Passed House: 3/13/03, 96-0.

Senate Amended.

Passed Senate: 4/11/03, 49-0.

Brief Summary of Bill

- Raises the threshold a water-sewer district may let contracts without competitive bidding procedures from \$5,000 to \$20,000.
- Raises the threshold a water-sewer district may purchase materials, supplies, and equipment without competitive bidding procedures from \$10,000 to \$20,000.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 10 members: Representatives Romero, Chair; Upthegrove, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Berkey, Clibborn, Ericksen, Mielke and Moeller.

Staff: Amy Wood (786-7127).

Background:

A number of different laws establish procedures for state agencies, local governments, and special purpose districts to award contracts for public works projects and to purchase materials, supplies, equipment, and services. Requirements vary, but generally a contract for a relatively small dollar value may be awarded without following a competitive

bidding procedure, while a contract of a relatively medium or high dollar value must be awarded following some sort of competitive bidding procedure. Generally, more flexibility is allowed for awarding contracts of medium estimated dollar values than higher dollar values. The basic proposition of competitive bidding procedures is that the contract, if awarded, is awarded to the "lowest responsible bidder."

Procedures to award a contract of relatively medium dollar value are called a small works roster procedure, if the contract is for a public works project; or a vendor list procedure, if the contract is for purchases of materials, supplies, and equipment. Frequently, bid solicitations using these procedures only require soliciting bids from a limited number of contractors or vendors on the list and include some sort of requirement to equitably distribute the opportunity to bid on proposals.

Procedures for awarding a contract of a relatively high dollar value must be made using formal competitive bidding requirements with the publishing of a request for the submission of sealed bids and the opening of the sealed bids at a specified time and place.

Water-sewer projects that exceed \$5,000 must let contracts using either formal bidding or the small works roster process. Purchase of materials, supplies, or equipment with an estimated cost between \$10,000 and \$50,000 allow for use of the small works roster process in lieu of formal bidding procedures.

Summary of Bill:

The threshold a water-sewer district may let contracts without competitive bidding procedures is raised from \$5,000 to \$20,000. And the threshold a water-sewer district may purchase materials, supplies, and equipment without competitive bidding procedures is raised from \$10,000 to \$20,000.

EFFECT OF SENATE AMENDMENT(S):

The provision raising the monetary threshold a water-sewer district may let contracts without competitive bidding procedures from \$5,000 to \$20,000 is lowered to \$10,000. The provision raising the monetary threshold a water-sewer district may purchase materials, supplies, and equipment without competitive bidding procedures from \$10,000 to \$20,000 is removed; the current monetary threshold of \$10,000 is reinstated.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill

is passed.

Testimony For: It is more cost effective for water-sewer districts to do small projects in house rather than messing with formal bidding procedures or the small works roster. We do not use rate-payer dollars very effectively if we must use expensive bidding procedures for relatively low dollar amounts. The thresholds have not been raised for some time and should be raised to reflect modern times. It is demoralizing for local government employees who are capable of doing the work better and cheaper to have to bid out small jobs.

Testimony Against: None.

Testified: Steve Lindstrom; and Pat Thompson.