

SENATE BILL REPORT

HB 2703

As Reported By Senate Committee On:
Natural Resources, Energy & Water, February 25, 2004

Title: An act relating to increasing the minimum amount for bid requirements for materials or work for joint operating agencies.

Brief Description: Increasing the minimum for bid requirements for materials or work for joint operating agencies.

Sponsors: Representatives Armstrong, Cooper, Delvin and Blake.

Brief History:

Committee Activity: Natural Resources, Energy & Water: 2/20/04, 2/25/04 [DP].

SENATE COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER

Majority Report: Do pass.

Signed by Senators Morton, Chair; Hewitt, Vice Chair; Doumit, Fraser, Hale, Hargrove, Honeyford, Oke and Regala.

Staff: Richard Rodger (786-7461)

Background: A joint operating agency is two or more cities or public utility districts that form for the purpose of acquiring, constructing, operating and owning plants, systems and other facilities for the generation and/or transmission of electric energy and power.

Purchases made by a joint operating agency in excess of \$5,000 for materials, equipment and supplies generally must be made by a sealed bid process. Several years ago this amount was increased to \$10,000 for public utility districts.

A competitive negotiation process may be avoided if a contractor has defaulted or if technical knowledge or specific time limits are required. Purchases of any amount may be made without bidding in certain emergency conditions.

Summary of Bill: The minimum dollar value of a purchase of materials, equipment or supplies that must be made through a sealed bid process is changed from \$5,000 to \$10,000, exclusive of sales tax.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill will make the joint operating agency work more efficiently by allowing sealed bids when contracts are for over \$10,000. This change was made several

years ago for public utility districts, but the JOAs were overlooked at that time. Passage of the bill will also get money to businesses faster.

Testimony Against: None.

Testified: Representative Mike Armstrong, prime sponsor; Jim Rowland, Energy Northwest (pro).