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**State Government Operations &  
Accountability Committee**

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**HB 1766**

**Brief Description:** Changing school district bidding requirements.

**Sponsors:** Representatives Darneille, Cox and Kirby.

**Brief Summary of Bill**

- Raises the bidding requirement for building improvement and repair that may be completed by a school district shop and repair department from \$10,000 or \$15,000 to:
- \$75,000 for districts with 25,000 or more full-time equivalent students;
- \$50,000 for districts with more than 15,500 and less than 25,000 full-time equivalent students; or
- \$25,000 for districts with fewer than 15,500 full-time equivalent students.

**Hearing Date:** 2/16/05

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

**Background:**

When the cost of any furniture, supplies, equipment, building, improvements or repairs, or other work or purchases, excluding books, exceeds \$50,000, a school district must engage in a competitive bid process. Complete plans and specifications must be prepared and notice published in at least one newspaper of general circulation for two consecutive weeks. The bids must be in writing and must be opened and read in public.

For purchases, excluding books, estimated to cost from \$15,000 to \$50,000, the school board must secure telephone and/or written quotations from at least three sources and must record the quotations for public perusal.

Projects or purchases made through competitive bid or quotation processes are awarded to the lowest responsible bidder, but the school district may reject any and all bids.

A school district may make improvements or repairs to district property through the district's shop and repair department when the total cost does not exceed \$10,000. This limit is extended to

\$15,000 for districts with 15,500 or more full-time equivalent students or, for districts with fewer than 15,500 students, if more than one craft or trade is involved in the improvement or repair. Projects exceeding these limits must be bid competitively. A school district may use the small works roster process for any project estimated to cost \$200,000 or less.

Under the small works roster process a single, general small works roster may be established or rosters may be established for different specialties or categories of anticipated work. Where applicable, small works rosters may make distinctions between contractors based upon different geographic areas served by the contractors. Generally, the process requires the public body to solicit names of responsible contractors to be included on the rosters on a yearly basis. When projects arise, quotations must be invited in a manner that will equitably distribute the opportunity among contractors on the appropriate roster. Quotations must be obtained from at least five contractors in order to assure that a competitive price is established. Contracts are awarded to the lowest responsible bidder. Contracts estimated to cost less than \$35,000 may be let using the limited public works process. Under this process quotations are invited from at least three contractors from the appropriate roster with award to the lowest responsible bidder.

**Summary of Bill:**

For the period July 1, 2005, through June 30, 2007, the board of directors of any school district may authorize improvements or repairs to the school district property through the district shop and repair department when the total of the improvement or repair does not exceed:

- \$75,000 for districts with 25,000 or more full-time equivalent students;
- \$50,000 for districts with more than 15,500 and less than 25,000 full-time equivalent students; or
- \$25,000 for districts with fewer than 15,500 full-time equivalent students.

Projects estimated to cost in excess of \$100,000 for the period July 1, 2005, through June 30, 2007, must be bid competitively by a formal bid process or through the small works roster process.

After June 30, 2007, the self-performance limits for completing improvements and repair to school district property will be determined by rule.

Effective July 1 of each odd-numbered year, the dollar amounts for bidding requirements shall be adjusted for inflation and rounded to the nearest \$10.

**Appropriation:** None.

**Fiscal Note:** Requested on February 10, 2005.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.