
**State Government Operations &
Accountability Committee**

HB 2024

Brief Description: Mandating open and fair public work contract bidding.

Sponsors: Representatives Haigh, Hankins, Wallace, Haler, Grant, Strow, Sells, Hasegawa, Conway, Williams, Ormsby, Green, Hunt, Chase and Kenney.

Brief Summary of Bill

- Defines "lowest responsible bidder" for public works contracts.
- Stipulates that the state, a municipality, or an institution of higher education may only reject all bids for public work projects for cause.
- Directs the director of the Department of Labor and Industries to adopt rules for rejection of bids for cause and to develop contractor review and appeal procedures.

Hearing Date: 3/1/05

Staff: Marsha Reilly (786-7135).

Background:

Most public agencies are required to award public works contracts to the lowest responsible bidder. However, in most public works statutes, there is no definition of "lowest responsible bidder." School district public works, county small works rosters, and contracts for third-party co-generation of power by a state authority use the definition of lowest responsible bidder that the state uses for purchasing goods or services. Under this definition, the agency must consider:

- the ability of the bidder to perform the contract,
- the reputation and experience of the bidder,
- whether the bidder can perform in the time specified,
- the quality of performance under previous contracts, and
- previous compliance by the bidder with laws relating to the contract.

In the competitive bidding process for public works projects, public agencies may reject all bids. For county projects, including road construction, Department of Transportation highway construction projects, and water-sewer district projects "good cause" must exist in order to reject all bids. "Good cause" is not defined.

Summary of Bill:

The definition of lowest responsible bidder under RCW 43.19.1911, purchasing goods or services, is extended to all public works contracts operating under 39.04 RCW and for general contractor/construction manager projects as described under RCW 39.10.061.

Public works contracts for a state, a municipality, or an institution of higher education must be awarded to the lowest responsible bidder unless the agency determines there is good cause to reject all bids and cancel the invitation. The determination must be in writing and must specify the reasons for rejecting all bids. Public agencies may require bidders to submit additional information, subject to verification, before contract award.

The director of the Department of Labor and Industries is directed to adopt rules for rejecting all bids for cause and to develop contractor review and appeal procedures.

Appropriation: None.

Fiscal Note: Not requested.

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