

HOUSE BILL REPORT

SB 6075

As Reported by House Committee On:
Local Government

Title: An act relating to increasing competitive bid limits for the purchase of materials, equipment, or supplies.

Brief Description: Increasing competitive bid limits for the purchase of materials, equipment, or supplies.

Sponsors: Senator Haugen.

Brief History:

Committee Activity:

Local Government: 3/27/07 [DP].

Brief Summary of Bill

- Increases the threshold purchase amount from \$2,500 to \$5,000 before a county must use specified vendor list procedures in awarding purchase contracts.
- Eliminates specified contracting requirements with respect to county purchases of less than \$5,000.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 7 members: Representatives Simpson, Chair; Eddy, Vice Chair; Curtis, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Ross, B. Sullivan and Takko.

Staff: Thamas Osborn (786-7129).

Background:

Purchase Contracts and Competitive Bidding by Local Governments

Local governments generally are allowed to purchase materials, supplies, and equipment below a certain dollar value without following a competitive bidding procedure. Formal competitive

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bidding procedures must be followed for purchases above a certain dollar value, with exceptions for emergency purchases and sole source purchases.

"Vendor List" Purchasing Contract Procedure

Legislation was enacted in 1993 establishing a uniform vendor list procedure for a number of different types of local governments to award medium dollar valued contracts for purchasing materials, supplies, equipment, or services.

A vendor list is established by publishing a notice, at least twice a year, soliciting vendors for inclusion on the list and initiating procedures for securing telephone or written quotations from at least three different vendors on the list. The purpose of this process is to ensure that a competitive price is established and the award is made to the lowest responsible bidder.

Requirements for Small Value County Purchasing Contracts

State law requires that a county must dispense with the formal bidding process and, instead, use the uniform "vendor list" contracting procedure for purchases of between \$2,500 and \$25,000.

The county legislative authority is given broad discretion with respect to purchases of less than \$2,500 and no specific procedures are required by statute.

Summary of Bill:

Increases the threshold purchase amount from \$2,500 to \$5,000 before a county must use specified vendor list procedures in awarding purchase contracts.

Eliminates specified contracting requirements with respect to county purchases of less than \$5,000.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This bill would assist counties by allowing them greater flexibility with respect to contracting procedures for purchasing. Eliminating formal competitive bidding requirements for small dollar value purchasing contracts will simplify the purchasing process and save money. Passage of the legislation would yield economic benefits to both small and large counties.

(Opposed) None.

Persons Testifying: Kevin Hughes, Snohomish County; Jim Potts, 14 Rural Counties; and Julie Murray, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.