
Local Government Committee

HB 1268

Brief Description: Regarding local government purchasing.

Sponsors: Representatives Springer, Parker, Morrell, Kochmar, Upthegrove, Goodman, Zeiger, Freeman, Ryu and Fey.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes local government to award contracts to the lowest bidder before taxes are applied provided that it gives notice of its intent to do so prior to submission of bids.
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Hearing Date: 2/5/13

Staff: Michaela Murdock (786-7289).

Background:

Generally, purchases of or contracts for goods and services must be based on a competitive solicitation process, unless a specific exemption applies. Examples of such exemptions include emergency contracts, sole source contracts, direct buy purchases, and purchases involving special facilities, services, or market conditions in which instances of direct negotiation is in the best interest of the state

Bids submitted in response to a competitive solicitation process are reviewed by the requesting agency, and the agency may either: (1) reject all bids and rebid, or cancel the competitive solicitation; (2) request best and final offers from responsive and responsible bidders; or (3) award the purchase or contract to the lowest responsive and responsible bidder.

Statute defines "bidder" as an individual or entity who submits a bid, quotation, or proposal in response to a solicitation issued for such goods or services by a department or an agency of state government. A "bid" is an offer, proposal, or quote for goods or services in response to a solicitation issued for such goods or services. "Purchase" means the acquisition of goods or services, including the leasing or renting of goods.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Consideration of Tax Revenue from Local Suppliers.

Whenever local governments (*e.g.*, any county, city, town, special purpose district, etc. that is authorized to impose sale and use taxes or business and occupation taxes) are required to make purchases from the lowest bidder or from the supplier offering the lowest price, it may take into consideration any tax revenue it would receive from purchasing supplies, materials, or equipment from a supplier located within its jurisdiction. After considering such tax revenue, local government must award the contract to the lowest bidder.

Local government may prefer purchases of recycled or reused materials and products.

Local government may consider tax revenue from sales tax and business and occupation taxes imposed upon suppliers within its jurisdiction, and if it considers such revenue, it must also consider any tax revenue that the local government would receive from taxes imposed upon a supplier outside its jurisdiction.

Summary of Bill:

In addition to being allowed to consider tax revenue in making purchases for supplies, materials, and equipment, local government may award contracts to bidders submitting the lowest bid before taxes are applied. Notice of local government's intent to award contracts using this method must be given prior to submission of bids.

Appropriation: None.

Fiscal Note: Available.

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