

HOUSE BILL REPORT

HB 1633

As Reported by House Committee On: Capital Budget

Title: An act relating to modifying school district bidding requirements for improvement and repair projects.

Brief Description: Modifying school district bidding requirements for improvement and repair projects.

Sponsors: Representatives Magendanz, Haigh, Dahlquist, Santos, Pollet, Smith, Wylie, Takko, Angel, Clibborn, Condotta and Scott.

Brief History:

Committee Activity:

Capital Budget: 2/11/13, 2/25/13 [DPS].

Brief Summary of Substitute Bill

- Increases competitive bidding limits for school districts.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Dunshee, Chair; Stanford, Vice Chair; Warnick, Ranking Minority Member; Hawkins, Assistant Ranking Minority Member; Appleton, Fey, MacEwen, Riccelli, Smith and Stonier.

Minority Report: Do not pass. Signed by 1 member: Representative Scott.

Staff: Steve Masse (786-7115).

Background:

Competitive bidding is required for purchases, repairs, and improvements by state agencies and municipalities including school districts. Exceptions include:

- emergency purchases;
- direct buy purchases as designated by the Department of Enterprise Services;

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- sole source purchases;
- insurance and bonds required for risk management;
- purchases for vocational rehabilitation clients;
- purchases by universities for hospital operation or research purposes;
- purchases for resale by institutions of higher education when used for purposes of supporting instructional space; and
- certain Washington grown food.

School districts have the authority to make repairs and improvements, and make purchases without competitive bidding when the work or purchases of goods not including books are below \$40,000. Purchases and repairs or improvements that are \$40,000 or below may be performed by the school district.

Summary of Substitute Bill:

The limit for purchases, repairs, and improvements that require competitive bidding is increased from \$40,000 to \$75,000.

Bidding threshold levels shall be adjusted annually based on federal price indices.

Substitute Bill Compared to Original Bill:

The threshold for school districts to competitively bid repairs and improvements is reduced from \$100,000 to \$75,000. A department within the district is specifically authorized to perform the repairs and improvements.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Small projects done by the school district may save the school money. Competitively bidding the small projects adds cost to the projects that the school district is capable of doing. Not all projects would be done by the district, but there are many that are small in nature and done easily without bidding.

(Opposed) Experienced contractors should perform repairs and improvements for the district. If there are problems with the work performed by the district it may cost the district more money to repair. This also means jobs for local contractors that should do the work.

Persons Testifying: (In support) Christian Dube, International Union of Operating Engineers; William Clark, Washington State School Directors' Association; Ray Vefik, Auburn School Board; Mitch Denning, Alliance of Education Associations; and David Dumpert, North Kitsap School District.

(Opposed) Van Collins, Associated General Contractors; Larry Stevens, Mechanical Contractors Association; and Gary Smith, Independent Business Association.

Persons Signed In To Testify But Not Testifying: None.