
Local Government Committee

HB 1410

Brief Description: Modifying provisions governing the competitive bidding process of water-sewer districts.

Sponsors: Representatives Takko, Muri, Kilduff, Zeiger, Manweller, Pike, Stanford and Condotta.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">Increases the estimated cost threshold, above which all work ordered by a water-sewer district must be let by contract and competitive bidding, from \$20,000 to \$90,000.
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Hearing Date: 1/29/15

Staff: Michaela Murdock (786-7289).

Background:

Special purpose districts are limited purpose local governments separate from a city, town, or county government. Water-sewer districts (districts), a type of special purpose district, are created to further public health and safety and to furnish water, sewerage, and drainage services to persons within and without the district.

Districts have many statutorily enumerated powers, including power to construct, condemn and purchase, maintain, and operate waterworks, systems of sewers, systems of reclaimed water, and systems of drainage. Additionally, districts may seek to reduce, minimize, or eliminate pollutants from lakes, streams, groundwater, or other waterways that are in or adjacent to the district. Districts are authorized to fix rates and charges for services, enter into contracts, have employees and fix salaries, loan and borrow funds, issue bonds and instruments evidencing indebtedness, and levy taxes.

Contract and Competitive Bidding.

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.

All work ordered by a district, which has an estimated cost in excess of \$20,000, must be let by contract and competitive bidding. Any purchases by the district of materials, supplies, or equipment, which has an estimated cost in excess of \$40,000, must be let by contract. Purchases with an estimated cost of \$50,000 or more must be made by competitive bidding. Competitive bidding requirements may be waived if an applicable exemption applies to the purchase or public work.

Before a district contract requiring competitive bidding is awarded, notice inviting sealed bid proposals must be published. Bids submitted to the district must be accompanied by a deposit in an amount not less than 5 percent of the amount of the bid. The contract must be awarded to the lowest responsible bidder.

When a contract is let, the successful bidder's deposit is retained until the contract is entered into for the work and a performance bond for the full amount of the contract price is furnished to the district in accordance with the bid. If the bidder fails to enter into a contract and furnish a performance bond, the deposit is forfeited to the district.

Alternative Contract Procedure.

As an alternative to the competitive bidding process, a district may let works contracts using the small works roster process. A district may create a single general small works roster, or a small works roster for different specialties or categories of anticipated work, that consists of all responsible contractors who have requested to be on the list and are properly licensed or registered in this state, if applicable. Similarly, the district may award purchase contracts to suppliers designated on current state agency, county, city, or town purchasing rosters, when the roster has been established in accordance with applicable competitive bidding laws for purchases.

Summary of Bill:

The estimated cost threshold for work ordered by a district, over which it must be let by contract and competitive bidding, is increased from \$20,000 to \$90,000.

Appropriation: None.

Fiscal Note: Not requested.

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