

# HOUSE BILL REPORT

## HB 2771

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### As Reported by House Committee On: Capital Budget

**Title:** An act relating to public hospital district contracts for material and work.

**Brief Description:** Concerning public hospital district contracts for material and work.

**Sponsors:** Representatives Bergquist and Johnson.

#### **Brief History:**

##### **Committee Activity:**

Capital Budget: 1/29/16, 2/2/16 [DP].

#### **Brief Summary of Bill**

- Authorizes Public Hospital Districts to award public works contracts for more than the estimated cost.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 9 members: Representatives Tharinger, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

**Staff:** Steve Masse (786-7115).

#### **Background:**

Public Hospital Districts (PHDs) are authorized to enter into contracts for materials and labor for construction or repair projects at PHD facilities. For projects over \$75,000 the PHDs are required to publish notice for sealed bids. The contract may be awarded to the lowest responsible bidder or to the best bidder. The PHDs cannot award a contract for more than the amount of the estimated cost of the materials and labor.

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#### **Summary of Bill:**

*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.*

The PHDs are authorized to enter into contracts for more than the amount of the estimated cost of materials and labor for projects over \$75,000.

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**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.

**Staff Summary of Public Testimony:**

(In support) This bill will prevent the time and cost to have to rebid a project if the bid is even a little bit over the estimate.

(Opposed) None.

**Persons Testifying:** Representative Johnson, prime sponsor; Ben Lindekugel, Association of Public Hospital Districts; Bob Maruska, Capital Projects Review Board; Bill Frare, Washington Department of Enterprise Services; and Mike Glenn, Jefferson Healthcare.

**Persons Signed In To Testify But Not Testifying:** None.