
Capital Budget Committee

HB 2779

Brief Description: Regarding competitive bid procedures for school districts.

Sponsors: Representatives Kilduff, Magendanz, Pollet, Stanford, Lytton and Rossetti.

Brief Summary of Bill

- Defines lowest responsible bidder for competitively bid public works projects in school districts as described in the public works statute.
- Retains the definition of lowest responsible bidder for competitively bid purchases of goods and services by school districts as described in the procurement of goods and services statute.

Hearing Date: 1/26/16

Staff: Christine Thomas (786-7142).

Background:

School District Competitive Bid Procedures

Under chapter 28A.335.190 RCW, school districts must follow competitive bid procedures for purchases of such items as furniture, equipment, or supplies when the estimated costs are more than \$40,000. Under the same statute, school districts must follow competitive bid procedures for public works projects costing more than \$100,000. Public works projects include constructing, improving, or repairing school facilities and other capital improvements. Some of the requirements of the competitive bid process for school districts include preparing complete plans and specifications for the purchases or work, and giving notice through newspapers for a specified period of time. Also, among other requirements, bids are to be submitted in writing and opened and read in public. Upon completing the public competitive bid process, the contract for the work or purchase shall be awarded to the "lowest responsible bidder."

Definition of Lowest Responsible Bidder

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 "lowest responsible bidder" for school district purchases and public works is described in the statute regarding public contracts and indebtedness, specifically the chapter that relates to procuring goods and services by state agencies and institutions of higher education. In determining whether a bidder is a responsible bidder, the school district must consider several elements.

Summary of Bill:

The "lowest responsible bidder" for building, improvement, repair, or other public works projects in school districts is defined under the public works statute. Responsible bidders for public works projects are determined by having:

- a certificate of registration as a contractor;
- a state unified business identifier number;
- industrial insurance coverage for its employees working in Washington;
- an Employment Security Department number; and
- a state excise tax registration number.

In addition, the contractor must not be disqualified from bidding on any public works contract because of state violations or investigations of complaint and must be in compliance with apprenticeship utilization requirements.

In addition to the above elements, the school district may adopt relevant supplemental criteria for determining bidder responsibility applicable to particular projects. The additional criteria must be included in the invitation to bid or other bidding documents. In a timely manner, potential bidders may ask the school district to modify the supplemental criteria. The school district must evaluate and respond to the request before the submittal deadline. If the criteria is changed, the school district must issue an addendum to the bidding documents with the new criteria. If the bidder fails to supply the supplemental information as requested or within the deadline established in the bidding documents, the school district may base its determination of responsibility on any available information related to the supplemental criteria or may find the bidder not responsible. If a school district finds a bidder not responsible, it must provide in writing the reasons for the determination.

The "lowest responsible bidder" for procuring goods and services retains the definition under the chapter that relates to procuring goods and services by state agencies and institutions of higher education. In determining whether a bidder is a responsible bidder, the school district must consider several elements including:

- the ability and skill of the bidder to perform the contract or service;
- the character, experience, and reputation of the bidder;
- whether the bidder can perform the contract on time;
- the quality of previous performance and services; and
- other related factors.

Appropriation: None.

Fiscal Note: Requested on January 22, 2016.

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