

# SENATE BILL REPORT

## HB 2771

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As Reported by Senate Committee On:  
Government Operations & Security, February 25, 2016

**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:** Passed House: 2/17/16, 98-0.

**Committee Activity:** Government Operations & Security: 2/25/16, 2/25/16 [DP, DNP].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

**Majority Report:** Do pass.

Signed by Senators Roach, Chair; Pearson, Vice Chair; Habib, McCoy and Takko.

**Minority Report:** Do not pass.

Signed by Senator Dansel.

**Staff:** Karen Epps (786-7424)

**Background:** Public hospital districts (Districts) are local government entities that may be created to provide health care facilities and services. These health care services may include nursing homes, extended care, long-term care, outpatient and rehabilitation facilities, and ambulance services. Since 1945, when they were authorized in state law, more than 50 Districts have been created in Washington. Districts may include territory in more than one county, and territory may be annexed to or withdrawn from districts if applicable requirements are met. Each District is governed by a board of elected commissioners. Districts have statutory authority commonly granted to local government entities, including authority to acquire property by eminent domain, adopt a budget, enter into contracts, and employ and manage personnel. To finance operations, Districts may levy property taxes, issue bonds, and charge user fees.

Competitive bidding is required for all work ordered by a District with an estimated cost in excess of \$75,000. As an alternative to the competitive bidding process for contracts that exceed the estimated cost threshold, a District may award works contracts using the small works roster process. Competitive bidding requirements may be waived if an applicable

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exemption applies to the purchase or public work. For projects over \$75,000 Districts are required to publish notice for sealed bids. The contract may be awarded to the lowest responsible bidder or to the best bidder. A District cannot award a contract for more than the amount of the estimated cost of the materials and labor.

**Summary of Bill:** The requirement that a District cannot enter into a contract for more than the amount of the estimated cost of materials or work is removed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** None.

**Persons Testifying:** No one.

**Persons Signed In To Testify But Not Testifying:** PRO: Bob Maruska, Capital Projects Advisory Review Board; Lisa Thatcher, Assn of WA Public Hospital Districts.