

SENATE BILL REPORT

SB 6214

As of January 15, 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: Senators Pearson, Takko and Liias.

Brief History:

Committee Activity: Government Operations & Security: 1/14/16.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

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 Districts may include territory in more than one county, and territory may be annexed to or withdrawn from districts if applicable requirements are met.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 exemption applies to the purchase or public work.

Summary of Bill: The provision providing that no contract shall be awarded in excess of the estimated cost of materials or work is removed.

Appropriation: None.

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.

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: PRO: This bill will allow public hospital districts the same ability as other local governments to accept bids that are above early estimates. This bill will help small public hospital districts. The language being removed appears to be a remnant of years past. The Capital Projects Advisory Review Board considered whether taking out this language would harm the public and the Board agreed that this change will benefit the public hospital districts, those who are participating in the public work process, and the public generally. Other public agencies do not have this restriction and the public bodies can evaluate the bids relative to available budgets. This bill is an improvement and provides an efficiency to the process. By allowing the public hospital district the ability to accept the low bid on a project, the public hospital district would have saved money rather than having to raise the not to exceed threshold and send a project out to bid a second time.

Persons Testifying: PRO: Senator Pearson, prime sponsor; Bob Maruska, Chair, Capital Projects Advisory Review Board; Bill Frare, Department of Enterprise Services; Ty Heim, EvergreenHealth; Mike Glenn, Jefferson Healthcare.