

# SENATE BILL REPORT

## SB 5958

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As of February 20, 2019

**Title:** An act relating to public works contracts and interlocal agreements by second-class cities and towns.

**Brief Description:** Concerning public works contracts and interlocal agreements by second-class cities and towns.

**Sponsors:** Senators Lovelett and Nguyen.

**Brief History:**

**Committee Activity:** Local Government: 2/21/19.

**Brief Summary of Bill**

- Makes clear that any obligation related to notices for competitive bidding arising from a local ordinance or policy is satisfied for a piggybacking entity if certain requirements are met, including that the host agency complies with its statutory contracting requirements and posts the solicitation online.

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### SENATE COMMITTEE ON LOCAL GOVERNMENT

**Staff:** Bonnie Kim (786-7316)

**Background:** Second-Class City or Town—Public Works. A second-class city or town may contract for public works without a competitive bidding process if:

- the estimated cost is \$65,000 or less and involves more than one craft or trade; or
- the estimated cost is \$40,000 or less and involves a single craft or trade or the public works is street signalization or street lighting.

All other public works contracts must be entered into following either a competitive bidding process or the small works roster process.

"Piggybacking." Generally, local government agencies may make purchases using another (the "host") agency's purchasing contract, a process known as "piggybacking." To piggyback on another local government agency's contract:

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- the host agency and the piggybacking agency must sign an interlocal agreement and file it with the county auditor or post it online by subject;
- the host agency must comply with its statutory contracting requirements and post the solicitation online; and
- the vendor must agree to the arrangement through the initial solicitation documents.

**Summary of Bill:** Any obligation related to notices for competitive bidding arising from a local ordinance, local policy, or charter requirement is satisfied for a piggybacking local government agency if:

- the host agency and the piggybacking agency sign an interlocal agreement and file it with the county auditor or post it online by subject;
- the host agency complies with its statutory contracting requirements and posts the solicitation online; and
- the vendor agrees to the arrangement through the initial solicitation documents.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: The state auditor has recently disallowed piggybacking for purchases for some smaller jurisdictions. This is a powerful tool for smaller cities to make purchases while potentially saving thousands of dollars. This process is generally applied for public works-related projects.

**Persons Testifying:** PRO: Senator Liz Lovelett, Prime Sponsor.

**Persons Signed In To Testify But Not Testifying:** No one.