

# HOUSE BILL REPORT

## HB 2664

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### As Reported By House Committee On:

Government Operations

**Title:** An act relating to competitive negotiations.

**Brief Description:** Authorizing municipalities to utilize competitive negotiations in the acquisition of electronic data processing or telecommunication systems.

**Sponsors:** Representatives Hargrove, Sheahan, Reams, Cairnes, Hymes and Thompson.

### Brief History:

#### Committee Activity:

Government Operations: 1/31/96, 2/2/96 [DPS].

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## HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Goldsmith, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Conway; R. Fisher; Hargrove; Honeyford; Hymes; Mulliken; Scheuerman; D. Schmidt; Van Luven and Wolfe.

**Staff:** Bill Lynch (786-7092).

**Background:** Local government competitive bidding statutes do not specifically address the purchase of computer or telecommunications systems. As a result, many local governments are unsure whether other statutory exemptions from competitive bidding, such as the purchase of special services, apply to these purchases. Many municipalities purchase these systems through competitive negotiations, but there are no statutory guidelines for how these competitive negotiations are conducted.

**Summary of Substitute Bill:** Municipalities may acquire electronic data processing or telecommunication, equipment, software, or services either through competitive negotiation or competitive bidding.

If competitive negotiation, then a request for proposal must be prepared and submitted to an adequate number of qualified sources as determined by the municipality, to permit reasonable competition for the procurement.

Notice of the request for proposal must be published in a newspaper of general circulation in the municipality at least 13 days before the last date upon which proposals will be received. The request for proposal must identify significant evaluation factors, including price, and their relative importance.

The municipality must provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for awarding the contract. The contract must be awarded to the qualified bidder whose proposal is most advantageous to the municipality, with price and other factors considered. The municipality may reject any and all proposals for good cause and request new proposals.

**Substitute Bill Compared to Original Bill:** A technical correction was made to make all the terms consistent.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This will provide guidance to local governments on purchasing this equipment. This bill reflects the comments of different interest groups who worked on this issue during the interim.

**Testimony Against:** None.

**Testified:** Representative Hargrove, prime sponsor.