

# HOUSE BILL REPORT

## SSB 5757

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### As Reported By House Committee On:

Government Operations

**Title:** An act relating to bidding requirements.

**Brief Description:** Changing provisions relating to bidding requirements.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senators McCaslin, Haugen, Winsley, Heavey and Sheldon).

### Brief History:

#### Committee Activity:

Government Operations: 3/29/95 [DPA].

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## HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** Do pass as amended. Signed by 15 members: Representatives Reams, Chairman; Goldsmith, Vice Chairman; L. Thomas, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Chopp; R. Fisher; Hargrove; Honeyford; Hymes; Mulliken; D. Schmidt; Sommers; Van Luven and Wolfe.

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

**Background:** There are no consequences to a low bidder who fails to enter into a contract with a unit of government in the event that he or she claims error. A claim of error can result in all bids being void and new bids being solicited.

**Summary of Amended Bill:** If a low bidder claims error and fails to enter into a contract for a public works project, the bidder is prohibited from bidding on the same project if a second or subsequent call for bids is made for that project. This provision applies to public works by the state, cities, towns, counties, fire districts, port districts, public utility districts, sewer districts, water districts, and public hospital districts.

If a low bidder claims error and fails to enter into a contract for purchases with the state, the bidder is prohibited from bidding on the same contract for purchases if a second or subsequent call for bids is made for that purchase.

Until July 1, 1996, a county with a population of 1 million or more with a purchasing department is only required to competitively bid for public works projects that exceed \$50,000 if more than a single craft or trade is involved with the project, or for public works projects in excess of \$25,000 if only a single craft or trade is involved with the project or the project is street signalization or street lighting. The limit on the use of public employees to perform public works does not apply to public works projects commenced before the effective date of this bill; any county road or bridge construction governed by other chapters of law; emergency work; or architectural and engineering services, or other technical or professional services performed by public employees in connection with a public works project.

**Amended Bill Compared to Substitute Bill:** Fire districts are added to the list of local governments to which the provisions of the bill apply. A technical amendment is made pertaining to contracts for state purchases. Language is added to permit a county with a population of one million or more with a purchasing department to use day labor on certain public works projects until July 1, 1996.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** If the government agency rebids the contract without changing the scope of the contract after an error has been claimed, everyone's bid is exposed. The bidding process is turned into an auction. There are an increasing number of contractors who are claiming error and then rebidding on the contract. King County was impacted by a recent court decision and needs time to comply.

**Testimony Against:** Honest mistakes should not preclude a person from rebidding on a project. Mathematical errors can be easily proved. The government might have to award the contract at a higher price if the lowest bidder who claimed error cannot rebid on that contract.

**Testified:** Eric Burger, CRAB (with concerns); Jim Bush Department of Transportation (with concerns); Larry Stevens, United Subcontractors Association; Rick Slunaker, Associated General Contractors; and Dick Ducharme, Utility Contractors Association.