

HOUSE BILL REPORT

HB 1434

As Reported By House Committee On:
Government Operations

Title: An act relating to public utility districts bid procedures.

Brief Description: Increasing the limit for public utility districts to use alternative bid procedures.

Sponsors: Representatives Hankins, Casada, Mastin, Honeyford, Radcliff, Dyer, Grant, Blanton, Brumsickle, Delvin, L. Thomas and Chandler.

Brief History:

Committee Activity:

Government Operations: 2/8/95, 2/15/95 [DPS].

HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Reams, Chairman; Goldsmith, Vice Chairman; L. Thomas, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; R. Fisher; Hargrove; Honeyford; Hymes; Mulliken; D. Schmidt; Sommers; Van Luven and Wolfe.

Staff: Bill Lynch (786-7092).

Background: A public utility district is required to use formal competitive bidding procedures to award a contract for the purchase of any materials, equipment, or supplies when the amount of the contract exceeds \$15,000.

A public utility district is authorized to use a uniform process for awarding contracts for purchases from lists of vendors, in lieu of formal competitive bidding, when the amount of the contract will not exceed \$15,000.

Under the uniform process, the local government must have established by resolution a procedure for securing telephone or written quotations, or both, from at least three different vendors to ensure that a competitive price is established. The local government awards the contract to the lowest responsible bidder. After the award is made, the bid quotations are open for public inspection and are available by telephone inquiry. The local government must post a list of the contracts that are awarded

through this informal process at least once every two months. The local government must publish a notice of the existence of vendor lists and solicit the names of vendors for the lists at least twice a year.

It is suggested that the maximum amount of a contract for purchases that may be awarded by a public utility district using these uniform procedures should be raised.

Summary of Substitute Bill: The maximum amount of a contract for purchases that may be awarded from a vendor list through a uniform process by a public utility district is increased from \$15,000 to \$35,000.

Substitute Bill Compared to Original Bill: The original bill increased the amount for which a public utility district may use the uniform process to award contracts for purchases as an alternative to formal competitive bidding from \$15,000 to \$25,000.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: The last time the ceiling was raised was in 1977. This will help open the market for small businesses that can't afford bid bonds. Many minority-owned businesses and women-owned businesses have difficulty obtaining bid bonds.

Testimony Against: None.

Testified: Representative Hankins, prime sponsor; and David Webb and Judy Spence, Snohomish County PUD.