

SENATE BILL REPORT

SHB 1434

As Reported By Senate Committee On:
Government Operations, March 22, 1995

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: House Committee on Government Operations (originally sponsored by Representatives Hankins, Casada, Mastin, Honeyford, Radcliff, Dyer, Grant, Blanton, Brumsickle, Delvin, L. Thomas and Chandler).

Brief History:

Committee Activity: Government Operations: 3/22/95 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Hale, McCaslin and Winsley.

Staff: Eugene Green (786-7405)

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.

Summary of 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.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This limit hasn't been raised since 1977, and in today's dollars would be \$36,500. This would help attract bids from those who can't get the required bid bonds on formal bids. Therefore, there will be more competition.

Testimony Against: None.

Testified: David Webb, Judy Spence, Snohomish County PUD (pro).