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ENGROSSED SUBSTITUTE SENATE BILL 5408

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State of Washington

54th Legislature

1995 Regular Session

By Senate Committee on Education (originally sponsored by Senators McAuliffe, Johnson, Quigley and Long; by request of Office of Financial Management)

Read first time 03/01/95.

1 AN ACT Relating to school bus acquisitions; amending RCW  
2 28A.160.200 and 28A.335.190; adding a new section to chapter 28A.160  
3 RCW; creating a new section; providing an effective date; and declaring  
4 an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.160  
7 RCW to read as follows:

8 (1) The superintendent of public instruction shall establish a  
9 minimum number of school bus categories considering the capacity and  
10 type of vehicles required by school districts in Washington. The  
11 superintendent shall establish competitive specifications for each  
12 category of school bus. The competitive specifications shall meet  
13 federal motor vehicle safety standards, minimum state specifications as  
14 established by rule by the superintendent, and supported options as  
15 determined by the superintendent.

16 (2) After establishing school bus categories and competitive  
17 specifications, the superintendent of public instruction shall solicit  
18 competitive price quotes from school bus dealers to be in effect for

1 one year and establish a list of the lowest competitive price quotes  
2 obtained under this subsection.

3 (3) The superintendent shall base the level of reimbursement to  
4 school districts and educational service districts for school buses on  
5 the lowest quote in each category.

6 (4) Notwithstanding RCW 28A.335.190, school districts and  
7 educational service districts may purchase at the quoted price directly  
8 from the dealer who is providing the lowest competitive price quote on  
9 the list established under subsection (2) of this section. School  
10 districts and educational service districts may make their own  
11 selections for school buses, but shall be reimbursed at the rates  
12 determined under this section and RCW 28A.160.200. District-selected  
13 options shall not be reimbursed by the state.

14 (5) This section does not prohibit school districts or educational  
15 service districts from conducting their own competitive bid process.

16 (6) The superintendent of public instruction may adopt rules under  
17 chapter 34.05 RCW to implement this section.

18 **Sec. 2.** RCW 28A.160.200 and 1990 c 33 s 146 are each amended to  
19 read as follows:

20 ~~((The superintendent shall determine the vehicle acquisition  
21 allocation in the following manner:~~

22 ~~(1) By May 1st of each year, the superintendent shall develop  
23 preliminary categories of student transportation vehicles to ensure  
24 adequate student transportation fleets for districts. The  
25 superintendent shall take into consideration the types of vehicles  
26 purchased by individual school districts in the state. The categories  
27 shall include, but not be limited to, variables such as vehicle  
28 capacity, type of chassis, type of fuel, engine and body type, special  
29 equipment, and life of vehicle. The categories shall be developed in  
30 conjunction with the local districts and shall be applicable to the  
31 following school year. The categories shall be designed to produce  
32 minimum long range operating costs, including costs of equipment and  
33 all costs incurred in operating the vehicles. Each category  
34 description shall include the estimated state-determined purchase  
35 price, which shall be based on the actual costs of the vehicles  
36 purchased for that comparable category in the state during the  
37 preceding twelve months and the anticipated market price for the next  
38 school fiscal year. By June 15th of each year, the superintendent~~

1 shall notify districts of the preliminary vehicle categories and state-  
2 determined purchase price for the ensuing school year. By October 15th  
3 of each year, the superintendent shall finalize the categories and the  
4 associated state-determined purchase price and shall notify districts  
5 of any changes. While it is the responsibility of each district to  
6 select each student transportation vehicle to be purchased by the  
7 district, each district shall be paid a sum based only on the amount of  
8 the state-determined purchase price and inflation as recognized by the  
9 reimbursement schedule established in this section as set by the  
10 superintendent for the category of vehicle purchased.

11 ~~((2))~~ (1) The superintendent shall develop a reimbursement schedule  
12 to pay districts for the cost of student transportation vehicles  
13 purchased after September 1, 1982. While it is the responsibility of  
14 each district to select and pay for each student transportation vehicle  
15 purchased by the district, each district shall be paid a sum based on  
16 the category of vehicle, anticipated lifetime of vehicles of this  
17 category, and state reimbursement rate for the category plus inflation  
18 as recognized by the reimbursement schedule established in this section  
19 as set by the superintendent. Categories and reimbursement rates of  
20 vehicles shall be those established under section 1 of this act. The  
21 accumulated value of the payments and the potential investment return  
22 thereon shall be designed to be equal to the replacement ~~((value))~~ cost  
23 of the vehicle less its salvage value at the end of its anticipated  
24 lifetime. The superintendent shall revise at least annually the  
25 reimbursement payments based on the current and anticipated future cost  
26 of comparable categories of transportation equipment. Reimbursements  
27 to school districts for approved transportation equipment shall be  
28 placed in a separate ~~((vehicle))~~ transportation vehicle fund  
29 established for each school district under RCW 28A.160.130. However,  
30 educational service districts providing student transportation services  
31 pursuant to RCW 28A.310.180(4) and receiving moneys generated pursuant  
32 to this section shall establish and maintain a separate ~~((vehicle))~~  
33 transportation vehicle account in the educational service district's  
34 general expense fund for the purposes and subject to the conditions  
35 under RCW 28A.160.130 and 28A.320.300.

36 ~~((3))~~ (2) To the extent possible, districts shall operate  
37 vehicles acquired under this section not less than the number of years  
38 or useful lifetime now, or hereafter, assigned to the ~~((class))~~  
39 category of vehicles by the superintendent. School districts shall

1 properly maintain the transportation equipment acquired under the  
2 provisions of this section, in accordance with rules established by the  
3 office of the superintendent of public instruction. If a district  
4 fails to follow generally accepted standards of maintenance and  
5 operation, the superintendent of public instruction shall penalize the  
6 district by deducting from future reimbursements under this section an  
7 amount equal to the original cost of the vehicle multiplied by the  
8 fraction of the useful lifetime or miles the vehicle failed to operate.

9 ~~((4))~~ (3) The superintendent shall annually develop a  
10 depreciation schedule to recognize the cost of depreciation to  
11 districts contracting with private carriers for student transportation.  
12 Payments on this schedule shall be a straight line depreciation based  
13 on the original cost of the appropriate category of vehicle.

14 **Sec. 3.** RCW 28A.335.190 and 1994 c 212 s 1 are each amended to  
15 read as follows:

16 (1) When, in the opinion of the board of directors of any school  
17 district, the cost of any furniture, supplies, equipment, building,  
18 improvements, or repairs, or other work or purchases, except books,  
19 will equal or exceed the sum of fifty thousand dollars, complete plans  
20 and specifications for such work or purchases shall be prepared and  
21 notice by publication given in at least one newspaper of general  
22 circulation within the district, once each week for two consecutive  
23 weeks, of the intention to receive bids therefor and that  
24 specifications and other information may be examined at the office of  
25 the board or any other officially designated location: PROVIDED, That  
26 the board without giving such notice may make improvements or repairs  
27 to the property of the district through the shop and repair department  
28 of such district when the total of such improvements or repair does not  
29 exceed the sum of (a) fifteen thousand dollars, for districts with  
30 fifteen thousand five hundred or more full-time equivalent students; or  
31 (b) for districts with fewer than fifteen thousand five hundred full-  
32 time equivalent students, fifteen thousand dollars if more than one  
33 craft or trade is involved with the school district improvement or  
34 repair, or ten thousand dollars if a single craft or trade is involved  
35 with the school district improvement or repair. The cost of any public  
36 work, improvement or repair for the purposes of this section shall be  
37 the aggregate of all amounts to be paid for labor, material, and  
38 equipment on one continuous or interrelated project where work is to be

1 performed simultaneously or in close sequence. The bids shall be in  
2 writing and shall be opened and read in public on the date and in the  
3 place named in the notice and after being opened shall be filed for  
4 public inspection.

5 (2) Every purchase of furniture, equipment or supplies, except  
6 books, the cost of which is estimated to be in excess of fifteen  
7 thousand dollars, shall be on a competitive basis. The board of  
8 directors shall establish a procedure for securing telephone and/or  
9 written quotations for such purchases. Whenever the estimated cost is  
10 from fifteen thousand dollars up to fifty thousand dollars, the  
11 procedure shall require quotations from at least three different  
12 sources to be obtained in writing or by telephone, and recorded for  
13 public perusal. Whenever the estimated cost is in excess of fifty  
14 thousand dollars, the public bidding process provided in subsection (1)  
15 of this section shall be followed.

16 (3) Every building, improvement, repair or other public works  
17 project, the cost of which is estimated to be in excess of (a) fifteen  
18 thousand dollars, for districts with fifteen thousand five hundred or  
19 more full-time equivalent students; or (b) for districts with fewer  
20 than fifteen thousand five hundred full-time equivalent students,  
21 fifteen thousand dollars if more than one craft or trade is involved  
22 with the school district improvement or repair, or ten thousand dollars  
23 if a single craft or trade is involved with the school district  
24 improvement or repair, shall be on a competitive bid process. All such  
25 projects estimated to be less than fifty thousand dollars may be  
26 awarded to a contractor on the small works roster. The small works  
27 roster shall be comprised of all responsible contractors who have  
28 requested to be on the list. The board of directors shall establish a  
29 procedure for securing telephone and/or written quotations from the  
30 contractors on the small works roster to assure establishment of a  
31 competitive price and for awarding contracts to the lowest responsible  
32 bidder. Such procedure shall require that a good faith effort be made  
33 to request quotations from all contractors on the small works roster  
34 who have indicated the capability of performing the kind of public  
35 works being contracted. Immediately after an award is made, the bid  
36 quotations obtained shall be recorded, open to public inspection, and  
37 available by telephone inquiry. The small works roster shall be  
38 revised at least once each year by publishing notice of such  
39 opportunity in at least one newspaper of general circulation in the

1 district. Responsible contractors shall be added to the list at any  
2 time they submit a written request. Whenever the estimated cost of a  
3 public works project is fifty thousand dollars or more, the public  
4 bidding process provided in subsection (1) of this section shall be  
5 followed.

6 (4) The contract for the work or purchase shall be awarded to the  
7 lowest responsible bidder as defined in RCW 43.19.1911 but the board  
8 may by resolution reject any and all bids and make further calls for  
9 bids in the same manner as the original call. On any work or purchase  
10 the board shall provide bidding information to any qualified bidder or  
11 the bidder's agent, requesting it in person.

12 (5) In the event of any emergency when the public interest or  
13 property of the district would suffer material injury or damage by  
14 delay, upon resolution of the board declaring the existence of such an  
15 emergency and reciting the facts constituting the same, the board may  
16 waive the requirements of this section with reference to any purchase  
17 or contract: PROVIDED, That an "emergency", for the purposes of this  
18 section, means a condition likely to result in immediate physical  
19 injury to persons or to property of the school district in the absence  
20 of prompt remedial action.

21 (6) This section does not apply to the direct purchase of school  
22 buses by school districts and educational services in accordance with  
23 section 1 of this act.

24 NEW SECTION. Sec. 4. (1) By December 15, 1995, the superintendent  
25 of public instruction shall prepare a report comparing:

26 (a) The reimbursement schedule in effect for the 1994-95 school  
27 year with the reimbursement schedule adopted for the 1995-96 school  
28 year;

29 (b) The expected state savings from using the 1995-96 schedule; and

30 (c) The price quotes received by the superintendent of public  
31 instruction with the prices obtained by school districts and  
32 educational service districts.

33 (2) The report shall be submitted to the fiscal committees of the  
34 house of representatives and the senate.

35 NEW SECTION. Sec. 5. (1) Section 1 of this act is necessary for  
36 the immediate preservation of the public peace, health, or safety, or

1 support of the state government and its existing public institutions,  
2 and shall take effect immediately.

3 (2) Section 2 of this act shall take effect September 1, 1995.

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