

SENATE BILL REPORT

SHB 2077

As Reported By Senate Committee On:
Government Operations, February 27, 1998

Title: An act relating to competitive bidding.

Brief Description: Providing uniform exemptions to competitive bidding procedures utilized by municipalities when awarding contracts for public works and contracts for purchases.

Sponsors: House Committee on Government Administration (originally sponsored by Representatives D. Schmidt, Scott and D. Sommers).

Brief History:

Committee Activity: Government Operations: 2/19/98, 2/27/98 [DPA].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass as amended.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Anderson, Haugen, Horn, Patterson and T. Sheldon.

Staff: Diane Smith (786-7410)

Background: The statutory exemptions from competitive bidding differ between various units of local governments for both public works and purchases. Public hospital districts, for example, have no exemptions from competitive bidding. There is no uniform definition of what constitutes an emergency— for those units of local government whose governing statutes provide an exemption from competitive bidding for emergencies.

Summary of Amended Bill: Uniform exemptions from competitive bidding are established for cities and towns, counties, fire districts, port districts, public utility districts, water-sewer districts, and public hospital districts.

Competitive bidding requirements may be waived by the municipality's governing body for purchases from sole source suppliers, purchases involving special facilities or market conditions, purchases in the event of an emergency, purchases of insurance or bonds, and public works in the event of an emergency.

The governing body of the municipality may waive competitive bidding procedures either by adopting a resolution or by written policies adopted by the municipality. The resolution must state the factual basis for the exception

If written policies are used to waive competitive bidding requirements, the contract and the factual basis for the exception must be recorded and open to public inspection immediately after the contract is awarded.

If an emergency exists, the person or persons designated by the municipality to act in an emergency may declare that an emergency exists, waive the competitive bidding requirements, and award all necessary contracts to address the emergency. The governing body must make a written finding of the existence of the emergency and enter it into the record no later than two weeks after the award of the contract.

An emergency is defined as unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

Counties of one million or more population are permitted to lease, lease with option to purchase, and acquire buildings erected upon land owned by the county when the lease of that land expires. This permission is governed by the existing sections of law permitting cities and towns to undertake these arrangements.

Amended Bill Compared to Substitute Bill: Technical changes are made to conform the amendment to the water-sewer district section to the amendment of that same section made in a bill previously passed out of committee. The amended bill permits counties of one million or more population to lease, lease with option to purchase, and acquire buildings erected upon land owned by the county when the lease of that land expires. This permission is governed by the existing sections of law permitting cities and towns to undertake these arrangements.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill brings uniformity to competitive bidding and is agreed-upon legislation as to the bidding provisions.

Testimony Against: None.

Testified: PRO: Ron Main, RTA; Jim Justin, AWC.