

# HOUSE BILL REPORT

## SB 6283

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**As Passed House:**

March 6, 2002

**Title:** An act relating to competitive bidding requirements for public hospital districts.

**Brief Description:** Changing the monetary threshold for competitive bidding requirements for public hospital districts.

**Sponsors:** By Senators Gardner, Swecker, T. Sheldon, Haugen and Rasmussen.

**Brief History:**

**Committee Activity:**

Local Government & Housing: 2/25/02, 2/28/02 [DP].

**Floor Activity:**

Passed House: 3/6/02, 93-0.

**Brief Summary of Bill**

- Raises the public hospital district bid limit from \$5,000 to \$50,000.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** Do pass. Signed by 10 members: Representatives Dunshee, Chair; Edwards, Vice Chair; Mulliken, Ranking Minority Member; Berkey, DeBolt, Dunn, Hatfield, Kirby, Mielke and Sullivan.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Crouse.

**Staff:** Scott MacColl (786-7106).

**Background:**

Public hospital districts are authorized to operate hospitals and other health care facilities, and provide other hospital and health care services. Districts have general authority to own and operate hospitals, to borrow money, and to levy property taxes.

Any work ordered by the district over \$5,000 is required to be completed by contract, by

putting out the work to bid.

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**Summary of Bill:**

The dollar figure for jobs that must be put out for bid by public hospital districts is raised from \$5,000 to \$50,000.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** One half of all hospitals in the state are hospital districts. It has been 57 years since the threshold limit was raised. With inflation, the limit would be \$100,000, but districts would just like the limit raised to \$50,000. This is needed because small projects cost more, and hospital districts are facing increased regulation and new technology. A majority of hospitals are old, and require a lot of updating and maintenance. The limited works process, and small works roster make bidding out easier, but these processes are not efficient for hospital districts.

**Testimony Against:** There is concern that work will be done by public employees in competition with private sector. There is more bang for the buck by letting contracts out for bid. The small works roster process is underutilized currently, and these are kinds of jobs that small, minority/women contractors use to become larger.

**Testified:** (In support) Taya Briley and Lisa Thatcher, Association of Washington Public Hospital Districts.

(Opposed) Rick Slunaker, Association of General Contractors.