

# SENATE BILL REPORT

## SB 5524

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As of February 10, 2005

**Title:** An act relating to school district bidding requirements.

**Brief Description:** Changing school district bidding requirements.

**Sponsors:** Senators Regala, Parlette, McAuliffe, Carrell, Prentice, Schoesler, Franklin, Kohl-Welles, Mulliken and Rasmussen.

**Brief History:**

**Committee Activity:** Early Learning, K-12 & Higher Education: 2/14/05.

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### SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

**Staff:** Heather Lewis-Lechner (786-7448)

**Background:** A number of different laws establish procedures for state agencies, local governments, and special purpose districts, including school districts, to award contracts for public works projects and to purchase materials, supplies, equipment, and services. Competitive bidding procedures must be followed when contracts or purchase amount exceed a certain dollar amount as established in statute. The procedures that are required and the threshold dollar amounts, vary depending on the type of state entity entering the contract or purchasing the material. Under competitive bidding procedures, contracts for the work or purchase are awarded to the lowest responsible bidder as defined in statute. There are also provisions established in statute that allow the lowest responsible bid to be rejected and further bids taken.

Purchases. For purchases of furniture, equipment or supplies, except books, that are expected to exceed \$15,000 school districts must use a competitive bid process. If such cost is between \$15,000 and \$50,000 the bid process must include quotations from at least three different sources obtained in writing or by telephone and recorded for public access. If such cost is over \$50,000 a specific type of formal competitive bidding process is required. Under the formal competitive bid process, the school district board of directors must provide two weeks of notice by publication of an intention to receive bids. The bids must be in writing, opened, and read in public on the date contained in the notice and filed for public inspection.

Public Works Projects and Maintenance. For building, improvement, repair, or other public works projects, districts with 15,500 full-time equivalent (FTE) students or more must use the formal competitive bid process if the projects are over \$15,000. For districts with fewer than 15,500 FTE students, the need to use the competitive bid process is dependent on the number of crafts or trades involved in the project. If there is more than one craft or trade, the formal competitive bid process must be used if the cost is over \$15,000. If there is only one craft or trade, the formal competitive bid process must be used if the cost is over \$10,000.

If the improvement or repair is under the established amounts, school districts may make the improvements or repairs to the district property through the district shop and repair department without having to give notice and take bids.

If a public works contract is over \$50,000 the formal competitive bid process is required unless the contract is let using the small works roster process or any other process available to school districts.

Procedures to award a contract of relatively medium dollar value are called a small works roster procedure and are set out in statute. Bid solicitations using these procedures only require soliciting bids from a limited number of contractors on a list and include some sort of requirement to equitably distribute the opportunity to bid on proposals. Contracts awarded under a small works roster need not be advertised.

Public Works Projects, Maintenance or Purchases Over \$50,000. When the cost of furniture, supplies, equipment, building, improvements, repairs, or other work or purchases, except books, is expected to be equal to or exceed \$50,000 the formal competitive bid process must be used.

**Summary of Bill:**

Purchases

The threshold for competitive bid procedures in relation to purchases of furniture, equipment or supplies, except books, remains the same.

Public Works Projects and Maintenance

The dollar threshold for using the competitive process as well as the threshold number of students is changed. The distinction based on whether one or two crafts is used in the improvement or repair is removed.

The threshold for competitive bid procedures in relation to building, improvement, repair or other public works projects, is increased from \$15,000 to \$75,000 for districts with 25,000 or more FTE students. For districts with fewer than 25,000 FTE students but more than 15,500 FTE students, the formal competitive bid process must be used if the cost is over \$50,000. If the district has fewer than 15,500 FTE students, the formal competitive bid process must be used if the cost is over \$25,000.

If the improvement or repair is under \$75,000 school districts may make the improvements or repairs to the district property through the district shop and repair department without having to give notice and take bids.

If a public works project is over \$100,000 the formal competitive bid process is required unless the contract is let using the small works roster process or any other process available to school districts.

All dollar amounts are applicable for the period July 1, 2005 through June 30, 2007.

The State Board of Education is given the authority to adjust the dollar amounts of this section for inflation, effective July 1 of each odd-numbered year.

**Appropriation:** None.

**Fiscal Note:** Requested on February 9, 2005.

**Committee/Commission/Task Force Created:** No.

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