
State Government & Tribal Affairs
Committee

HB 1230

Brief Description: Regarding construction or improvements for special purpose districts.

Sponsors: Representatives Armstrong and Hunt.

Brief Summary of Bill

- Increases the dollar amount that triggers competitive bid requirements for public works and purchases for certain special purpose districts.

Hearing Date: 1/23/09

Staff: Marsha Reilly (786-7135)

Background:

Most public entities are required to use a competitive bid process for public works projects and purchases estimated to cost above a certain dollar figure. Public works projects estimated to cost below an established dollar limit may be performed by in-house staff or contracted without a competitive bid. An alternative process for competitive bidding for public works are provided through the small works roster process. As with public works, purchases estimated to cost below an established dollar limit may be purchased without a competitive bid. Municipalities are offered an alternative process for competitive bidding of purchases through a vendor list process.

Different public entities have different dollar limits triggering a competitive bid. The basic proposition of competitive bidding procedures is that the contract is awarded to the lowest responsible bidder.

Vendor list process. The public works statute provides a competitive, uniform process to award contracts for the purchase of materials, equipment, supplies, or services. The process may be used only by those municipalities that have statutory authorization to use it. Statutes governing

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which municipalities may use the process must include the maximum dollar thresholds of the contracts that may be awarded under the process. Contracts awarded using this process do not need to be advertised.

The process allows the municipality to establish vendor lists and to solicit names of vendors for the lists at least twice a year. By resolution, the municipality must establish a procedure for securing telephone or written quotations from at least three different vendors to assure a competitive price. The contract is awarded to the lowest responsible bidder.

Fire protection districts. Fire protection districts are authorized to use the vendor list process. Formal sealed bidding is not required for purchases of materials, supplies, or equipment if the cost is under \$10,000. If the estimated cost of purchases does not exceed \$50,000, the vendor list process may be used if authorized by the commissioners by resolution. Contracting for work involving the construction or improvement of a fire station or other buildings must be competitively bid when the cost exceeds \$2,500.

Metropolitan park districts. Metropolitan park districts are not authorized to use the vendor list process. Any work ordered in excess of \$5,000 must be competitively bid and the small works roster may be used.

Water and sewer districts. Water and sewer districts are authorized to use the vendor list process. Any purchase estimated to cost less than \$10,000 does not require a competitive bid. Purchases estimated at more than \$10,000 must be by a competitive contract process. Purchases estimated at less than \$50,000 must be made using the vendor list process, and purchases estimated at more than \$50,000 must follow the established competitive sealed bidding process established for work ordered (public works) in excess of \$10,000.

Summary of Bill:

The dollar amount that triggers competitive bids for public works projects for fire protection districts is increased from \$2,500 to \$40,000.

Requirements are added to allow metropolitan park districts to purchase materials, supplies, or equipment estimated to cost less than \$40,000 without competitive bidding. Purchases estimated in excess of \$40,000 must be made by competitive bid, and purchases less than \$50,000 must be made using the vendor list process. Authority is also given to metropolitan park districts to let contracts for purchases of materials, supplies, or equipment with suppliers designated on current state agency, county, city, or town purchasing rosters when the roster has been established in accordance with the competitive bidding law for that state agency, county, city, or town. The price and terms for purchases shall be as prescribed on the applicable roster.

The dollar amount for purchases that must be made by competitive contract is increased from \$10,000 to \$40,000 for water and sewer districts.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.