

SENATE BILL REPORT

SHB 2321

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
FEBRUARY 25, 1994

Brief Description: Standardizing competitive bidding procedures.

SPONSORS: House Committee on Local Government (originally sponsored by Representatives Springer, H. Myers, Edmondson, Johanson and Jones)

HOUSE COMMITTEE ON LOCAL GOVERNMENT

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; McCaslin, Oke and Winsley.

Staff: Rod McAulay (786-7754)

Hearing Dates: February 25, 1994

BACKGROUND:

The statutory exemptions from competitive bidding differ between various units of local government for both purchases and public works. In addition, the definition of what constitutes an "emergency" differs among those units of local government that have a statutory exemption from competitive bidding for emergencies.

When the Legislature established a uniform process for municipalities to award contracts from a small works roster or vendor list, the statutes pertaining to school districts were not included. The only units of local government required to use competitive bidding when purchasing services are second class cities, third class cities and towns.

SUMMARY:

Uniform exemptions to competitive bidding are provided for municipalities. Competitive bidding may be waived by resolution of the municipality's governing body for: (1) purchases limited to a single source of supply; (2) purchases involving special facilities, services or market conditions; (3) purchases in the event of an emergency; (4) purchases of insurance or bonds; (5) purchases of computer systems; and (5) public works in the event of an emergency.

The governing body of the municipality must state in the resolution waiving competitive bidding the reasons why the situation exists and the economic or health-related

justifications for the waiver. The resolution must be adopted by the municipality prior to the final award of the contract unless there is an emergency.

If there is an emergency, the person or persons designated by the governing body of the municipality to act in an emergency may let all contracts necessary to address the emergency. The governing body must adopt the resolution waiving competitive bidding at its next regularly-scheduled meeting or within two weeks, whichever is later. 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.

School districts must follow the uniform process established during the 1993 session for awarding contracts from a small works roster or vendor list. Second class cities, third class cities and towns are no longer required to seek competitive bids for purchases of services.

SUMMARY OF PROPOSED COMMITTEE AMENDMENT:

Contracts for computer systems are deleted from the list of exemptions from competitive bidding. The term "special" is changed to "unique" with reference to facilities, services or market conditions which are exempt from competitive bidding. Ratification of emergency contracts must occur within two weeks.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Brings more uniformity to exemptions to competitive bidding process for local governments.

TESTIMONY AGAINST:

Citizens are not best served when competitive bidding is avoided.

TESTIFIED: Representative Springer, original prime sponsor; Representative Mike Heavey; Jim Justin, AWC