

# SENATE BILL REPORT

## 2SSB 5757

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As Passed Senate, January 17, 1996

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

**Brief Description:** Changing provisions relating to bidding requirements.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senators McCaslin, Haugen, Winsley, Heavey and Sheldon).

**Brief History:**

**Committee Activity:** Government Operations: 2/14/95, 3/1/95 [DPS]; 1/10/96 [DP2S]. Passed Senate, 3/10/95, 44-0; 1/17/96, 47-0.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** That Second Substitute Senate Bill No. 5757 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Goings, Hale, Heavey and McCaslin.

**Staff:** Diane Smith (786-7410)

**Background:** There are no provisions which assign any consequences to a low bidder for county, city, town, state, or special purpose district contracts for labor and materials or goods and services, in the event that he or she claims error. A claim of error can result in all bids being void and new bids being solicited.

**Summary of Bill:** If a low bidder claims error and fails to enter into a contract, he or she is prohibited from bidding on the same project if a call for second or subsequent bids is made for that project. This provision applies to projects for the state, cities, towns, special purpose districts, and counties for all public works, projects, labor and materials, and for purchases made by the Department of General Administration for the state and its agencies and departments.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The bidder who causes everyone else's bid to be exposed should not be allowed to bid a second time for reasons of fairness. This is a self-policing measure from the contracting community. Under this bill, the state or local jurisdiction has the option of waiving the error and proceeding with the low bidder.

**Testimony Against:** This bill is contrary to the public interest because by eliminating the low bidder, you eliminate competition in the second bid. DOT requires forfeit of bid bonds from bidders who claim error such that DOT feels the forfeit is appropriate. As a consequence of this approach, DOT does not have a problem with claims of bid error.

**Testified:** Kathleen Collins, SMACNA (pro); Nancee Wildermuth, Associated Builders & Contractors (pro).