

HOUSE BILL REPORT

HB 1212

*As Reported By House Committee on:
Education*

Title: An act relating to school district competitive bidding.

Brief Description: Changing the dollar amounts for school district competitive bidding.

Sponsor(s): Representatives Peery, Brough, Ebersole, Vance, Winsley, Betrozoff, Pruitt and Orr.

Brief History:

Reported by House Committee on:
Education, February 18, 1991, DPS.

**HOUSE COMMITTEE ON
EDUCATION**

Majority Report: *That Substitute House Bill No. 1212 be substituted therefor, and the substitute bill do pass.*
Signed by 13 members: Representatives Peery, Chair; G. Fisher, Vice Chair; Brough, Ranking Minority Member; Cole; Dorn; Holland; P. Johnson; Jones; Orr; Phillips; Rasmussen; Roland; and H. Sommers.

Minority Report: *Do not pass.* Signed by 3 members: Representatives Broback; Brumsickle; and Neher.

Staff: Susan Kirkpatrick (786-7291).

Background: State law requires school districts to engage in a competitive bid process for all purchases, excluding the purchase of books, and for all building, improvement, repair, or other public works projects costing or estimating to cost more than \$7,500. Once the competitive bid limit threshold of \$7,500 is met, the school district is required to engage in some form of competitive bidding.

With respect to contracts for building, improvement, repair, or other public works projects, a school district may make improvements or repairs through the shop and repair department of such district when the total cost is estimated to be equal to or less than \$7,500. A school district may award a contract to a contractor on the Small Works Roster if the cost of the building, improvement, repair, or public

works project is more than \$7,500 and less than \$20,000. The Small Works Roster is comprised of all responsible contractors who have requested to be on the roster. School districts are required to make a good faith effort to request quotations from all contractors on the Small Works Roster who have indicated the capability of performing the kind of public works being contracted and to award the contract to the lowest responsible bidder. Whenever the estimated cost is equal to or in excess of \$20,000, the full public competitive bidding process (which requires notice by publication and preparation of and the opportunity to review complete plans and specifications) must be followed.

Summary of Substitute Bill: The \$7,500 competitive bid limit is increased to \$15,000 for purchases and for building, improvement, repair, or other public works projects. If the cost or estimated cost of the purchase or contract is equal to or less than \$15,000, school districts are not required to go through a competitive bid process. Purchases (excluding books) or contracts for building, improvement, repairs, or public works projects in excess of \$15,000 are required to be awarded on a competitive bid basis.

The upper limit on contracts that can be awarded to a contractor on the Small Works Roster is increased from \$20,000 to \$50,000. School districts can award a contract for building, improvement, repair, or other public works projects to a contractor on the Small Works Roster if the estimated cost is more than \$15,000 and less than \$50,000. If the estimated cost is equal to or more than \$50,000, the school district is required to engage in the full public competitive bidding process.

Substitute Bill Compared to Original Bill: The original bill raised the competitive bid limit from \$7,500 to \$15,000 but did not raise the upper lid on contracts for building, improvement, repairs, or public works projects that can be awarded to a contractor on the Small Works Roster.

Fiscal Note: Requested January 31, 1991.

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

Testimony For: The competitive bid limit was last raised in 1985. The competitive bid limit for other state agencies and the institutions of higher education ranges from \$15,000 to \$25,000. The current \$7,500 competitive bid limit is unduly restrictive.

The bill would give school districts more flexibility to be more cost-effective.

Testimony Against: None.

Witnesses: John Helmslinger, Tacoma Public School District (in favor); Bob Pierce, Central Kitsap School District (in favor); and Dennis Randolph, Washington Association of Maintenance and Operations (in favor).