

# HOUSE BILL REPORT

## HB 1045

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**As Reported by House Committee On:**  
Local Government

**Title:** An act relating to water-sewer district bidding provisions.

**Brief Description:** Modifying water-sewer district bidding provisions.

**Sponsors:** Representatives Miloscia, Chandler and Upthegrove.

**Brief History:**

**Committee Activity:**

Local Government: 1/22/03, 2/6/03 [DP].

**Brief Summary of Bill**

- Permits water-sewer districts to allow contracts for purchase of materials, supplies, or equipment with the suppliers designated on current state agency, county, city, or town purchasing rosters if the roster has been established in accordance with competitive bidding law.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 11 members: Representatives Romero, Chair; Upthegrove, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Berkey, Clibborn, Edwards, Ericksen, Mielke and Moeller.

**Staff:** Amy Wood (786-7127).

**Background:**

A number of different laws establish procedures for state agencies, local governments, and special purpose districts to award contracts for public works projects and to purchase materials, supplies, equipment, and services. Requirements vary, but generally a contract for a relatively small dollar value may be awarded without following a competitive bidding procedure while a contract of a relatively medium or high dollar value must be awarded following some sort of competitive bidding procedure. Generally, more flexibility is allowed for awarding contracts of medium estimated dollar values than high

dollar values. The basic proposition of competitive bidding procedures is that the contract, if awarded, is awarded to the "lowest responsible bidder."

Procedures to award a contract of relatively medium dollar value are called a small works roster procedure, if the contract is for a public works project; or a vendor list procedure, if the contract is for purchases of materials, supplies, and equipment. Frequently, bid solicitations using these procedures require only soliciting bids from a limited number of contractors or vendors on the list and include some sort of requirement to equitably distribute the opportunity to bid on proposals.

Procedures for awarding a contract of a relatively high dollar value must be made using formal competitive bidding requirements with the publishing of a request for the submission of sealed bids and the opening of the sealed bids at a specified time and place.

#### Water-Sewer District Contracting Procedures

Purchases of materials, supplies, or equipment with an estimated cost of less than \$10,000 do not require a contract process. Purchases of materials, supplies, or equipment with an estimated cost between \$10,000 and \$50,000 allow for use of the small works roster procedure in lieu of formal sealed bidding. Purchases over \$50,000 must be completed by contract following a public notice and call for formal sealed bidding.

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#### **Summary of Bill:**

An alternative process is established for water-sewer districts to award contracts for purchase of materials, supplies, or equipment with an estimated cost greater than \$10,000. Water-sewer districts may let contracts for purchases of materials, supplies, or equipment with suppliers designated on current state agency, county, city, or town purchasing rosters that have been prepared in accordance with applicable competitive bidding laws. The price and terms for purchases shall be as described on the roster.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** The bill allows water-sewer districts to collaborate and purchase off of existing roster lists. This would allow the water-sewer districts flexibility to maintain their own lists, or use existing lists which are expensive to create. This bill will make official what water-sewer districts are already doing in practice and what was recently

approved by the State Auditor for other local governments.

**Testimony Against:** None.

**Testified:** Representative Miloscia, prime sponsor; and Joe Daniels and Hal Schloelmann, Washington Association of Water and Sewer Districts.