

FINAL BILL REPORT

HB 2703

C 189 L 04

Synopsis as Enacted

Brief Description: Increasing the minimum for bid requirements for materials or work for joint operating agencies.

Sponsors: By Representatives Armstrong, Cooper, Delvin and Blake.

House Committee on State Government

Senate Committee on Natural Resources, Energy & Water

Background:

A joint operating agency is formed by two or more cities or public utility districts for the purpose of acquiring, constructing, operating, and owning plants, systems and other facilities for the generation and/or transmission of electric energy and power.

Purchases made by a joint operating agency in excess of \$5,000 for materials, equipment and supplies generally must be made by a sealed bid process. There are exceptions.

A competitive negotiation process may be avoided if a contractor has defaulted or if technical knowledge, experience, management, or staff, or specific time limits are needed to achieve economical operation of the project. In this process, a request for proposals stating the requirements to be met is issued, after which proposals are received. Negotiations are conducted in an effort to obtain the best and final offers of finalists. A fixed price or cost-reimbursable contract is awarded to the bidder whose proposal is the most advantageous in terms of the requirements set forth.

Purchases in excess of \$5,000 but less than \$75,000 may be made through a telephone or written quotation process. Quotations are received from at least five vendors, where practical, and awards are made to the lowest responsible bidder. In this process, the agency maintains a procurement roster of suppliers and manufacturers who may supply materials or equipment to the operating agency for the purpose of soliciting quotations. Bid opportunities are to be equitably distributed among those on the roster.

When it is determined that competition is not available or is impracticable, such as for replacement parts in support of specialized equipment, purchases may be made without competition. Purchases of any amount may be made without bidding in certain emergency conditions when it is determined that public safety, property damage, or serious financial injury would result if the purchase could not be obtained by a certain time through the sealed bid process.

Summary:

The minimum dollar value of a purchase of materials, equipment, or supplies that must be made through a sealed bid process is changed from \$5,000 to \$10,000, exclusive of sales tax.

Votes on Final Passage:

House 95 0

Senate 45 0

Effective: June 10, 2004