

SENATE BILL REPORT

HB 1670

As of March 19, 2019

Title: An act relating to bid limits for purchases and public works by fire protection districts.

Brief Description: Concerning bid limits for purchases and public works by fire protection districts.

Sponsors: Representatives Eslick, Sutherland, Griffey, Lovick, Dufault, Stanford and Mead.

Brief History: Passed House: 3/05/19, 98-0.

Committee Activity: Local Government: 3/19/19.

Brief Summary of Bill

- Increases the bid limits for purchases and contract work ordered by a fire protection district.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Staff: Bonnie Kim (786-7316)

Background: A fire protection district is a type of special purpose district created to provide fire prevention, fire suppression, and emergency medical services within a district's boundaries, which can include incorporated and unincorporated areas. Generally, districts serve residents outside of cities or towns, except when cities and towns have been annexed into a district or when the district continues to provide service to a newly incorporated area.

A district has the powers and authorities of a municipal corporation and is generally managed by a board of commissioners. The districts finance their activities and facilities by imposing regular property taxes, excess voter-approved property tax levies, and benefit charges.

A formal sealed bid procedure must be used for purchases and contracts for purchases made by the board of commissioners. Formal sealed bidding is not required for:

- the purchase of materials when such materials, equipment, or supplies have an estimated cost not exceeding \$10,000; however, whenever the estimated cost does not exceed \$50,000, the commissioners may by resolution use the alternative bidding process available for municipalities;

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- contracting for work involving the construction or improvement of a fire station or other buildings where the estimated cost does not exceed \$20,000;
- contracts using the small works roster process; and
- any contract for purchases or public work which are exempt from competitive bidding requirements.

Municipalities are offered an alternative process for competitive bidding of purchases through a vendor list process. The process may be used only by those municipalities having statutory authorization. Statutes governing which municipalities may use the process must include the maximum dollar thresholds for contracts awarded under the process. Contracts awarded using this process do not need to be advertised.

Summary of Bill: The bid threshold limits for purchases and contracts for work ordered by a district are increased.

A formal sealed bid is not required for:

- the purchase of materials when such materials, equipment, or supplies have an estimated cost not exceeding \$40,000—instead of \$10,000—or when the estimated cost does not exceed \$75,000—instead of \$50,000—when using the alternative bidding process; and
- contracting for work involving the construction or improvement of a fire station or other buildings where the estimated cost does not exceed \$30,000—instead of \$20,000.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill is about increasing bid amounts for purchases; the last time this number was increased was 18 years ago. This bill also increases bid limits for improvements to a fire station; this amount was last updated ten years ago. A recent state auditor ruling requires us to make group purchases which consistently pushes us above the current bid limits for everyday purchases. We would appreciate removing the sunset clause that was put on ESSB 5418 because it would be disruptive.

OTHER: We would like to see ESSB 5418 move forward. We understand the sunset clause may be disruptive but believe these bid limit increases should undergo a thorough review process.

Persons Testifying: PRO: Representative Carolyn Eslick, Prime Sponsor; Steve Guptill, Snohomish County Fire District 7.

OTHER: Michael Transue, Mechanical Contractors Association of Western Washington.

Persons Signed In To Testify But Not Testifying: No one.