

**SENATE BILL REPORT**

**SSB 5405**

**AS REPORTED BY COMMITTEE ON EDUCATION, FEBRUARY 4, 1994**

**Brief Description:** Raising the minimum dollar amount requiring competitive bidding by school districts.

**SPONSORS:** Senate Committee on Education (originally sponsored by Senators Pelz, Oke, McAuliffe and Winsley)

**SENATE COMMITTEE ON EDUCATION**

**Majority Report:** That Second Substitute Senate Bill No. 5405 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Pelz, Chairman; McAuliffe, Vice Chairman; Gaspard, M. Rasmussen, Rinehart, Skratek, A. Smith and Winsley.

**Staff:** Leslie Goldstein (786-7424)

**Hearing Dates:** February 8, 1993; February 24, 1993; February 2, 1994; February 4, 1994

**BACKGROUND:**

State law requires school districts to engage in a competitive bid process for purchases, excluding the purchases of books, and for buildings, improvements, repairs or other public works projects costing or estimated to cost more than \$7,500. The competitive bid limit for school districts was last raised in 1985.

**SUMMARY:**

School districts' bid limits are raised.

When purchasing furniture, equipment and supplies, (other than the purchase of books), school districts must request quotations or telephone bids for purchases between \$15,000 and \$35,000. Competitive bids must be used for purchases over \$35,000.

For buildings, improvements, repairs or other public works projects, districts may do the projects through the district's repair or shop department if the total cost of the project does not exceed \$20,000.

For buildings, improvements, repairs or other public works projects between \$20,000 and under \$35,000, districts may use contractors on a small works roster, seeking telephone or written quotations from those contractors.

For buildings, improvements, repairs or other public works projects over \$35,000, districts must use competitive bids.

**EFFECT OF PROPOSED SECOND SUBSTITUTE:**

The language in the original bill is stricken.

School districts would be required to follow the same bidding procedures as are used by second or third class cities or towns.

A district could perform the work in house if the cost is under \$20,000 for one trade and \$30,000 for more than one trade. A small works roster may be used for any project under \$100,000. Bids must be used to purchase all goods when the cost exceeds \$7,500. Telephone bids may be used to purchase goods between \$7,500 and \$15,000.

Surety bonds are required for all projects for which bids are required. The decision to perform work "in house" is not subject to collective bargaining.

Current law exempting school districts from these requirements in an emergency is unchanged.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

Higher bid limits will help school districts function more effectively and efficiently. The higher limit for in-house projects will help school districts be more flexible and responsive and save money.

**TESTIMONY AGAINST:**

This legislation hurts small businesses. Public employment grows at the expense of private employment. Contractors pay higher wages for labor on public works projects under the prevailing wage law. School district employees receive lower wages.

**TESTIFIED:** PRO: Peter Keithley, WA Assn. of Maintenance and Operations Administrators; Rudolph Fyles, Director of Capitol Projects, South Kitsap School District; CON: Larry Stevens, United Subcontractors Assn.; Rick Slunaker, Assn. of General Contractors; Gary Smith, Independent Business Assn.