

*Senate* BILL NO. 274

INTRODUCED BY Thomas

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING COUNTIES, MUNICIPALITIES, AND CONSOLIDATED LOCAL GOVERNMENTS TO USE A BID PROCESS FOR THE PURCHASE OF CERTAIN ITEMS IN EXCESS OF \$20,000 OR FOR THE CONSTRUCTION OR MAINTENANCE OF A ROAD, BRIDGE, BUILDING, OR ANY OTHER PUBLIC INFRASTRUCTURE IN EXCESS OF \$25,000; AMENDING SECTIONS 7-5-2301 AND 7-5-4302, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-5-2301, MCA, is amended to read:

**"7-5-2301. Competitive, advertised bidding required for certain large purchases or construction contracts.** (1) A county governing body shall publish a notice calling for bids and award a contract to the lowest and best responsible bidder for:

(a) the purchase of any vehicle, road or other machinery, apparatus, appliance, equipment, materials, or supplies in excess of \$20,000; or

(b) the construction or maintenance of a road, bridge, building, or any other public infrastructure in excess of \$25,000.

~~(1)(2) Except as Under the emergency procedures provided in 7-5-2304, a contract for the purchase of any vehicle, road machinery or other machinery, apparatus, appliances, equipment, or materials or supplies in excess of \$20,000 or for the construction of any building, road, or bridge in excess of \$25,000 or for the repair or maintenance of any building, road, or bridge in excess of \$45,000 may not be entered into by a county governing body may authorize a contract without first publishing a notice calling for bids.~~

~~(2)(3)~~ The notice provided for in subsection (1) must be published as provided in 7-1-2121.

~~(3)~~ Every contract subject to bidding must be let to the lowest and best responsible bidder."

**Section 2.** Section 7-5-4302, MCA, is amended to read:

**"7-5-4302. Competitive, advertised bidding required for certain purchase and construction contracts.** (1) A municipal governing body shall publish a notice calling for bids and award a contract to

1 the lowest and best responsible bidder for:

2 (a) the purchase of any vehicle, road or other machinery, apparatus, appliance, equipment,  
3 materials, or supplies in excess of \$20,000; or

4 (b) the construction or maintenance of a road, bridge, building, or any other public infrastructure  
5 in excess of \$25,000.

6 ~~(1)(2) Except as~~ Under the emergency provisions provided in 7-5-4303, ~~or 7-5-4310,~~ all contracts  
7 for the ~~purchase of any automobile, truck, other vehicle, road machinery, other machinery, apparatus,~~  
8 ~~appliances, or equipment; for any materials or supplies of any kind in excess of \$20,000; or for~~  
9 ~~construction, repair, or maintenance in excess of \$25,000 must be let to the lowest responsible bidder after~~  
10 ~~advertisement for bids~~ a municipal governing body may authorize a contract or, as provided in 7-5-4310,  
11 make a purchase at a public auction without publishing a notice calling for bids.

12 ~~(2)(3)~~ The advertisement must be made in the official newspaper of the city or town if there is an  
13 official newspaper, and if not, it must be made in a daily newspaper of general circulation published in the  
14 city or town if there is a newspaper. If there is no newspaper, the advertisement must be made by posting  
15 in three of the most public places in the city or town. The advertisement, if by publication in a newspaper,  
16 must be made once each week for 2 consecutive weeks, and the second publication must be made not less  
17 than 5 days or more than 12 days before the consideration of bids. If the advertisement is made by posting,  
18 15 days must elapse, including the day of posting, between the time of the posting of the advertisement  
19 and the day set for considering bids.

20 ~~(3)(4)~~ The council may postpone action on any contract until the next regular meeting after bids  
21 are received in response to the advertisement and may reject any bids and readvertise as provided in this  
22 section."  
23

24 NEW SECTION. Section 3. Consolidated local government bid process. A consolidated local  
25 government, with or without self-governing powers, may not undertake construction, repair, maintenance,  
26 public work, or an improvement project without following the competitive bidding requirements contained  
27 in Title 7, chapter 5, part 23.

28  
29 NEW SECTION. Section 4. Codification instruction. [Section 3] is intended to be codified as an  
30 integral part of Title 7, chapter 5, part 1, and the provisions of Title 7, chapter 5, part 1, apply to [section

1 3].

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3 NEW SECTION. **Section 5. Effective date.** [This act] is effective January 1, 2000.

4

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0274, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill requiring counties, municipalities, and consolidated local governments to use a bid process for the purchase of certain items in excess of \$20,000 or for the construction or maintenance of a road, bridge, building, or any other public infrastructure in excess of \$25,000.

ASSUMPTIONS:

1. It is assumed that this bill will provide fiscal impact in two areas: 1) for counties, it reduces the ceiling from \$45,000 to \$25,000, requiring the bid process on repairs and maintenance of infrastructure, and 2) it requires a consolidated local government to conform to the bidding process of the counties.

FISCAL IMPACT:

Passage of SB 274 will have no fiscal impact on the state.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Counties and consolidated local governments will see some increased operating expenses as a result of this bill.

Dave Lewis 2-11-97  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

Fred Thomas 2-11-97  
FRED THOMAS, PRIMARY SPONSOR      DATE

Fiscal Note for SB0274, as introduced

**SB 274**