
SENATE BILL 5047

State of Washington

54th Legislature

1995 Regular Session

By Senators Haugen, Winsley and Pelz

Read first time 01/09/95. Referred to Committee on Government Operations.

1 AN ACT Relating to state procurement practices; and amending RCW
2 43.19.1906.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 43.19.1906 and 1994 c 300 s 1 are each amended to read
5 as follows:

6 Insofar as practicable, all purchases and sales shall be based on
7 competitive bids, and a formal sealed bid procedure shall be used as
8 standard procedure for all purchases and contracts for purchases and
9 sales executed by the state purchasing and material control director
10 and under the powers granted by RCW 43.19.190 through 43.19.1939. This
11 requirement also applies to purchases and contracts for purchases and
12 sales executed by agencies, including educational institutions, under
13 delegated authority granted in accordance with provisions of RCW
14 43.19.190 or under RCW 28B.10.029. However, formal sealed bidding is
15 not necessary for:

16 (1) Emergency purchases made pursuant to RCW 43.19.200 if the
17 sealed bidding procedure would prevent or hinder the emergency from
18 being met appropriately;

1 (2) Purchases not exceeding (~~thirty-five~~) one hundred thousand
2 dollars, or subsequent limits as calculated by the office of financial
3 management: PROVIDED, That the state director of general
4 administration shall establish procedures to assure that purchases made
5 by or on behalf of the various state agencies shall not be made so as
6 to avoid the (~~thirty-five~~) one hundred thousand dollar bid
7 limitation, or subsequent bid limitations as calculated by the office
8 of financial management: PROVIDED FURTHER, That the state purchasing
9 and material control director is authorized to reduce the formal sealed
10 bid limits of (~~thirty-five~~) one hundred thousand dollars, or
11 subsequent limits as calculated by the office of financial management,
12 to a lower dollar amount for purchases by individual state agencies if
13 considered necessary to maintain full disclosure of competitive
14 procurement or otherwise to achieve overall state efficiency and
15 economy in purchasing and material control. Quotations from four
16 hundred dollars to (~~thirty-five~~) one hundred thousand dollars, or
17 subsequent limits as calculated by the office of financial management,
18 shall be secured from at least three vendors to assure establishment of
19 a competitive price and may be obtained by telephone or written
20 quotations, or both. The agency shall invite at least one quotation
21 each from a certified minority and a certified women-owned vendor who
22 shall otherwise qualify to perform such work. Immediately after the
23 award is made, the bid quotations obtained shall be recorded and open
24 to public inspection and shall be available by telephone inquiry. A
25 record of competition for all such purchases from four hundred dollars
26 to (~~thirty-five~~) one hundred thousand dollars, or subsequent limits
27 as calculated by the office of financial management, shall be
28 documented for audit purposes. Purchases up to four hundred dollars
29 may be made without competitive bids based on buyer experience and
30 knowledge of the market in achieving maximum quality at minimum cost:
31 PROVIDED, That this four hundred dollar direct buy limit without
32 competitive bids may be increased incrementally as required to a
33 maximum of eight hundred dollars with the approval of at least ten of
34 the members of the state supply management advisory board, if warranted
35 by increases in purchasing costs due to inflationary trends;

36 (3) Purchases which are clearly and legitimately limited to a
37 single source of supply and purchases involving special facilities,
38 services, or market conditions, in which instances the purchase price
39 may be best established by direct negotiation;

1 (4) Purchases of insurance and bonds by the risk management office
2 under RCW 43.19.1935;

3 (5) Purchases and contracts for vocational rehabilitation clients
4 of the department of social and health services: PROVIDED, That this
5 exemption is effective only when the state purchasing and material
6 control director, after consultation with the director of the division
7 of vocational rehabilitation and appropriate department of social and
8 health services procurement personnel, declares that such purchases may
9 be best executed through direct negotiation with one or more suppliers
10 in order to expeditiously meet the special needs of the state's
11 vocational rehabilitation clients;

12 (6) Purchases by universities for hospital operation or biomedical
13 teaching or research purposes and by the state purchasing and material
14 control director, as the agent for state hospitals as defined in RCW
15 72.23.010, and for health care programs provided in state correctional
16 institutions as defined in RCW 72.65.010(3) and veterans' institutions
17 as defined in RCW 72.36.010 and 72.36.070, made by participating in
18 contracts for materials, supplies, and equipment entered into by
19 nonprofit cooperative hospital group purchasing organizations;

20 (7) Purchases by institutions of higher education not exceeding
21 (~~thirty-five~~) one hundred thousand dollars: PROVIDED, That for
22 purchases between two thousand five hundred dollars and (~~thirty-five~~)
23 one hundred thousand dollars quotations shall be secured from at least
24 three vendors to assure establishment of a competitive price and may be
25 obtained by telephone or written quotations, or both. For purchases
26 between two thousand five hundred dollars and (~~thirty-five~~) one
27 hundred thousand dollars, each institution of higher education shall
28 invite at least one quotation each from a certified minority and a
29 certified women-owned vendor who shall otherwise qualify to perform
30 such work. A record of competition for all such purchases made from
31 two thousand five hundred to (~~thirty-five~~) one hundred thousand
32 dollars shall be documented for audit purposes; and

33 (8) Beginning on July 1, 1995, and on July 1 of each succeeding
34 odd-numbered year, the dollar limits specified in this section shall be
35 adjusted as follows: The office of financial management shall
36 calculate such limits by adjusting the previous biennium's limits by
37 the appropriate federal inflationary index reflecting the rate of

1 inflation for the previous biennium. Such amounts shall be rounded to
2 the nearest one hundred dollars.

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