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**SUBSTITUTE SENATE BILL 6328**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** Senate Committee on Higher Education (originally sponsored by Senators Rinehart and Saling)

Read first time 02/07/92.

1       AN ACT Relating to higher education purchasing; and reenacting and  
2 amending RCW 43.19.1906.

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

4       **Sec. 1.** RCW 43.19.1906 and 1987 c 81 s 1 and 1987 c 70 s 2 are  
5 each reenacted and amended to read 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, as  
11 now or hereafter amended. This requirement also applies to purchases  
12 and contracts for purchases and sales executed by agencies, including  
13 educational institutions, under delegated authority granted in

1 accordance with provisions of RCW 43.19.190 as now or hereafter  
2 amended. However, formal sealed bidding is not necessary for:

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

6 (2) Purchases not exceeding five thousand dollars, or subsequent  
7 limits as calculated by the office of financial management: PROVIDED,  
8 That the state director of general administration shall establish  
9 procedures to assure that purchases made by or on behalf of the various  
10 state agencies shall not be made so as to avoid the five thousand  
11 dollar bid limitation, or subsequent bid limitations as calculated by  
12 the office of financial management: PROVIDED FURTHER, That the state  
13 purchasing and material control director is authorized to reduce the  
14 formal sealed bid limits of five thousand dollars, or subsequent limits  
15 as calculated by the office of financial management, to a lower dollar  
16 amount for purchases by individual state agencies, including purchases  
17 of specialized equipment, instructional, and research equipment and  
18 materials by colleges and universities, if considered necessary to  
19 maintain full disclosure of competitive procurement or otherwise to  
20 achieve overall state efficiency and economy in purchasing and material  
21 control. Quotations from four hundred dollars to five thousand  
22 dollars, or subsequent limits as calculated by the office of financial  
23 management, shall be secured from enough vendors to assure  
24 establishment of a competitive price and may be obtained by telephone  
25 or written quotations, or both. Immediately after the award is made,  
26 the bid quotations obtained shall be recorded and open to public  
27 inspection and shall be available by telephone inquiry. A record of  
28 competition for all such purchases from four hundred dollars to five  
29 thousand dollars, or subsequent limits as calculated by the office of  
30 financial management, shall be documented for audit purposes on a

1 standard state form approved by the forms management center under the  
2 provisions of RCW 43.19.510. Purchases up to four hundred dollars may  
3 be made without competitive bids based on buyer experience and  
4 knowledge of the market in achieving maximum quality at minimum cost:  
5 PROVIDED, That this four hundred dollar direct buy limit without  
6 competitive bids may be increased incrementally as required to a  
7 maximum of eight hundred dollars with the approval of at least ten of  
8 the members of the state supply management advisory board, if warranted  
9 by increases in purchasing costs due to inflationary trends;

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

14 (4) Purchases of insurance and bonds by the risk management office  
15 under RCW 43.19.1935 as now or hereafter amended;

16 (5) Purchases and contracts for vocational rehabilitation clients  
17 of the department of social and health services: PROVIDED, That this  
18 exemption is effective only when the state purchasing and material  
19 control director, after consultation with the director of the division  
20 of vocational rehabilitation and appropriate department of social and  
21 health services procurement personnel, declares that such purchases may  
22 be best executed through direct negotiation with one or more suppliers  
23 in order to expeditiously meet the special needs of the state's  
24 vocational rehabilitation clients;

25 (6) Purchases by universities for hospital operation or biomedical  
26 teaching or research purposes and by the state purchasing and material  
27 control director, as the agent for state hospitals as defined in RCW  
28 72.23.010, and for health care programs provided in state correctional  
29 institutions as defined in RCW 72.65.010(3) and veterans' institutions  
30 as defined in RCW 72.36.010 and 72.36.070, made by participating in

1 contracts for materials, supplies, and equipment entered into by  
2 cooperative hospital service organizations as defined in section 501(e)  
3 of the Internal Revenue Code, or its successor; (~~and~~)

4       (7) Purchases by institutions of higher education not exceeding  
5 fifteen thousand dollars that are funded by research grant or contract  
6 funds, or other nonstate appropriated funds: PROVIDED, That for  
7 purchases between two thousand five hundred dollars and fifteen  
8 thousand dollars quotations shall be secured from enough vendors to  
9 assure establishment of a competitive price and may be obtained by  
10 telephone or written quotations, or both. A record of competition for  
11 all such purchases made from two thousand five hundred to fifteen  
12 thousand dollars shall be documented for audit purposes on a standard  
13 state form approved by the forms management center under provisions of  
14 RCW 43.19.510; and

15       (8) Beginning on July 1, 1989, and on July 1 of each succeeding  
16 odd-numbered year, the five thousand dollar limit specified in  
17 subsection (2) of this section shall be adjusted as follows: The  
18 office of financial management shall calculate such limit by adjusting  
19 the previous biennium's limit by the appropriate federal inflationary  
20 index reflecting the rate of inflation for the previous biennium. Such  
21 amounts shall be rounded to the nearest one hundred dollars.