

2 **ESHB 2815** - S COMM AMD
3 By Committee on Government Operations

4 ADOPTED AS AMENDED 3/4/94

5 Strike everything after the enacting clause and insert the
6 following:

7 "**Sec. 1.** RCW 43.19.1906 and 1993 c 379 s 103 are each amended to
8 read as follows:

9 Insofar as practicable, all purchases and sales shall be based on
10 competitive bids, and a formal sealed bid procedure shall be used as
11 standard procedure for all purchases and contracts for purchases and
12 sales executed by the state purchasing and material control director
13 and under the powers granted by RCW 43.19.190 through 43.19.1939. This
14 requirement also applies to purchases and contracts for purchases and
15 sales executed by agencies, including educational institutions, under
16 delegated authority granted in accordance with provisions of RCW
17 43.19.190 or under RCW 28B.10.029. However, formal sealed bidding is
18 not necessary for:

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

22 (2) Purchases not exceeding (~~five~~) one hundred thousand dollars,
23 or subsequent limits as calculated by the office of financial
24 management: PROVIDED, That the state director of general
25 administration shall establish procedures to assure that purchases made
26 by or on behalf of the various state agencies shall not be made so as
27 to avoid the (~~five~~) one hundred thousand dollar bid limitation, or
28 subsequent bid limitations as calculated by the office of financial
29 management: PROVIDED FURTHER, That the state purchasing and material
30 control director is authorized to reduce the formal sealed bid limits
31 of (~~five~~) one hundred thousand dollars, or subsequent limits as
32 calculated by the office of financial management, to a lower dollar
33 amount for purchases by individual state agencies if considered
34 necessary to maintain full disclosure of competitive procurement or
35 otherwise to achieve overall state efficiency and economy in purchasing
36 and material control. Quotations from four hundred dollars to (~~five~~)

1 one hundred thousand dollars, or subsequent limits as calculated by the
2 office of financial management, shall be secured from ~~((enough))~~ at
3 least three vendors to assure establishment of a competitive price and
4 may be obtained by telephone or written quotations, or both. The
5 agency shall invite at least one quotation each from a certified
6 minority and a certified women-owned vendor who shall otherwise qualify
7 to perform such work. Immediately after the award is made, the bid
8 quotations obtained shall be recorded and open to public inspection and
9 shall be available by telephone inquiry. A record of competition for
10 all such purchases from four hundred dollars to ~~((five))~~ one hundred
11 thousand dollars, or subsequent limits as calculated by the office of
12 financial management, shall be documented for audit purposes ~~((on a~~
13 ~~standard state form approved by the forms management center under the~~
14 ~~provisions of RCW 43.19.510))~~. Purchases up to four hundred dollars
15 may be made without competitive bids based on buyer experience and
16 knowledge of the market in achieving maximum quality at minimum cost:
17 PROVIDED, That this four hundred dollar direct buy limit without
18 competitive bids may be increased incrementally as required to a
19 maximum of eight hundred dollars with the approval of at least ten of
20 the members of the state supply management advisory board, if warranted
21 by increases in purchasing costs due to inflationary trends;

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

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

28 (5) Purchases and contracts for vocational rehabilitation clients
29 of the department of social and health services: PROVIDED, That this
30 exemption is effective only when the state purchasing and material
31 control director, after consultation with the director of the division
32 of vocational rehabilitation and appropriate department of social and
33 health services procurement personnel, declares that such purchases may
34 be best executed through direct negotiation with one or more suppliers
35 in order to expeditiously meet the special needs of the state's
36 vocational rehabilitation clients;

37 (6) Purchases by universities for hospital operation or biomedical
38 teaching or research purposes and by the state purchasing and material
39 control director, as the agent for state hospitals as defined in RCW

1 72.23.010, and for health care programs provided in state correctional
2 institutions as defined in RCW 72.65.010(3) and veterans' institutions
3 as defined in RCW 72.36.010 and 72.36.070, made by participating in
4 contracts for materials, supplies, and equipment entered into by
5 nonprofit cooperative hospital group purchasing organizations;

6 (7) Purchases by institutions of higher education not exceeding
7 (~~fifteen~~) one hundred thousand dollars: PROVIDED, That for purchases
8 between two thousand five hundred dollars and (~~fifteen~~) one hundred
9 thousand dollars quotations shall be secured from (~~enough~~) at least
10 three vendors to assure establishment of a competitive price and may be
11 obtained by telephone or written quotations, or both. For purchases
12 between two thousand five hundred dollars and one hundred thousand
13 dollars, each institution of higher education shall invite at least one
14 quotation each from a certified minority and a certified women-owned
15 vendor who shall otherwise qualify to perform such work. A record of
16 competition for all such purchases made from two thousand five hundred
17 to (~~fifteen~~) one hundred thousand dollars shall be documented for
18 audit purposes; and

19 (8) Beginning on July 1, 1995, and on July 1 of each succeeding
20 odd-numbered year, the dollar limits specified in this section shall be
21 adjusted as follows: The office of financial management shall
22 calculate such limits by adjusting the previous biennium's limits by
23 the appropriate federal inflationary index reflecting the rate of
24 inflation for the previous biennium. Such amounts shall be rounded to
25 the nearest one hundred dollars.

26 **Sec. 2.** RCW 43.19.1908 and 1965 c 8 s 43.19.1908 are each amended
27 to read as follows:

28 Competitive bidding required by RCW 43.19.190 through 43.19.1939
29 shall be solicited by public notice, and through the sending of notices
30 by mail, electronic transmission, or other means to bidders on the
31 appropriate list of bidders who shall have qualified by application to
32 the division of purchasing. Bids may be solicited by the purchasing
33 division from any source thought to be of advantage to the state. All
34 bids shall be in writing and conform to rules of the division of
35 purchasing."

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4 On page 1, line 1 of the title, after "practices;" strike the
5 remainder of the title and insert "and amending RCW 43.19.1906 and
6 43.19.1908."

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