

SENATE BILL REPORT

ESHB 2815

**AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
FEBRUARY 25, 1994**

Brief Description: Reforming state procurement practices.

SPONSORS: House Committee on State Government (originally sponsored by Representatives Anderson, Veloria, Caver, Wolfe, Romero, Reams, Bray, Ballard, Pruitt, Jones and Quall; by request of Department of General Administration)

HOUSE COMMITTEE ON STATE GOVERNMENT

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland and Winsley.

Staff: Diane Smith (786-7410)

Hearing Dates: February 25, 1994

BACKGROUND:

Formal sealed bid procedures are not required for state procurement contract purchases of \$5,000 or less. The Office of Financial Management is authorized to adjust that limit to reflect changes in the Consumer Price Index. The limit is currently at \$6,000. For purchases of \$400 to \$6,000, agencies are required to secure enough quotations to ensure a competitive price. Quotations may be obtained by telephone as well as in writing. Purchases made up to \$400 may be made without competitive bids.

For institutions of higher education, the sealed bid limit is currently \$15,000. For purchases between \$2,500 and \$15,000, institutions are required to secure enough quotations to secure a competitive price, and a record of competition must be documented.

Under current law, agency solicitation of bids must be by mail or in person. The electronic solicitation of bids is not authorized.

SUMMARY:

Formal sealed bidding is not necessary for state agency purchases of up to \$15,000. Quotations from enough vendors to assure a competitive price will be obtained for purchases from \$400 to \$15,000.

Agencies and institutions of higher education are required to invite at least one quotation each from a certified minority and a certified women-owned contractor. Bids may be solicited by electronic transmission.

SUMMARY OF PROPOSED COMMITTEE AMENDMENT:

Formal sealed bidding is not necessary for state agency purchases of up to \$100,000. Quotations from at least three vendors will be obtained for purchases from \$400 to \$100,000.

Agencies and institutions of higher education are required to invite at least one quotation each from a certified minority and a certified women-owned vendor.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

This bill streamlines state procurement and provides for money saving efficiencies without compromising the competitive process.

TESTIMONY AGAINST: None

TESTIFIED: Jim Medina, Milly La Palm, OMWBE (pro); John Franklin, GA (pro)