
HOUSE BILL 2815

State of Washington

53rd Legislature

1994 Regular Session

By Representatives Anderson, Veloria, Caver, Wolfe, Romero, Reams, Bray, Ballard, Pruitt, Jones and Quall; by request of Department of General Administration

Read first time 01/24/94. Referred to Committee on State Government.

1 AN ACT Relating to reforming state procurement practices; and
2 amending RCW 43.19.1906 and 43.19.1908.

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

4 **Sec. 1.** RCW 43.19.1906 and 1993 c 379 s 103 are each amended to
5 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. 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 ((five)) one hundred thousand dollars,
2 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 ((five)) one hundred thousand dollar bid limitation, or
7 subsequent bid limitations as calculated by the office of financial
8 management: PROVIDED FURTHER, That the state purchasing and material
9 control director is authorized to reduce the formal sealed bid limits
10 of ((five)) one hundred thousand dollars, or subsequent limits as
11 calculated by the office of financial management, to a lower dollar
12 amount for purchases by individual state agencies if considered
13 necessary to maintain full disclosure of competitive procurement or
14 otherwise to achieve overall state efficiency and economy in purchasing
15 and material control. Quotations from four hundred dollars to ((five))
16 one hundred thousand dollars, or subsequent limits as calculated by the
17 office of financial management, shall be secured from enough vendors to
18 assure establishment of a competitive price and may be obtained by
19 telephone or written quotations, or both. The agency shall invite at
20 least one quotation each from a certified minority and a certified
21 women-owned contractor who shall otherwise qualify to perform such
22 work. Immediately after the award is made, the bid quotations obtained
23 shall be recorded and open to public inspection and shall be available
24 by telephone inquiry. A record of competition for all such purchases
25 from four hundred dollars to ((five)) one hundred thousand dollars, or
26 subsequent limits as calculated by the office of financial management,
27 shall be documented for audit purposes (~~on a standard state form~~
28 ~~approved by the forms management center under the provisions of RCW~~
29 ~~43.19.510~~). Purchases up to four hundred dollars may be made without
30 competitive bids based on buyer experience and knowledge of the market
31 in achieving maximum quality at minimum cost: PROVIDED, That this four
32 hundred dollar direct buy limit without competitive bids may be
33 increased incrementally as required to a maximum of eight hundred
34 dollars with the approval of at least ten of the members of the state
35 supply management advisory board, if warranted by increases in
36 purchasing costs due to inflationary trends;

37 (3) Purchases which are clearly and legitimately limited to a
38 single source of supply and purchases involving special facilities,

1 services, or market conditions, in which instances the purchase price
2 may be best established by direct negotiation;

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

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

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

22 (7) Purchases by institutions of higher education not exceeding
23 fifteen thousand dollars: PROVIDED, That for purchases between two
24 thousand five hundred dollars and fifteen thousand dollars quotations
25 shall be secured from enough vendors to assure establishment of a
26 competitive price and may be obtained by telephone or written
27 quotations, or both. A record of competition for all such purchases
28 made from two thousand five hundred to fifteen thousand dollars shall
29 be documented for audit purposes; and

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

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

1 Competitive bidding required by RCW 43.19.190 through 43.19.1939
2 shall be solicited by public notice, and through the sending of notices
3 by mail, electronic transmission, or other means to bidders on the
4 appropriate list of bidders who shall have qualified by application to
5 the division of purchasing. Bids may be solicited by the purchasing
6 division from any source thought to be of advantage to the state. All
7 bids shall be in writing and conform to rules of the division of
8 purchasing.

--- END ---