

FINAL BILL REPORT

SHB 1653

C 106 L 99

Synopsis as Enacted

Brief Description: Raising the limit on agency direct buy authority without competitive bids.

Sponsors: By House Committee on State Government (Originally sponsored by Representatives Kenney, Miloscia, Romero, D. Schmidt, Clements and Wolfe; by request of Department of General Administration).

House Committee on State Government
Senate Committee on State & Local Government

Background:

State agencies and institutions purchase personal property following three different procedures, depending on the value of the items that are purchased, as follows:

- Small-valued purchases may be made without competitive bids based upon buyer experience and knowledge of the market in achieving maximum quality at minimum cost, if the value of items purchased does not exceed \$400.
- Medium-valued purchases may be made using an informal competitive procedure where telephone or written quotations are secured from at least three vendors. At least one quotation must be solicited from a certified minority and a certified women-owned vendor. This procedure may be used by state agencies when the value of the items that are purchased are from \$400 to \$35,000 and may be used by institutions of higher education for purchases between \$2,500 and \$35,000.
- High-valued purchases of items must be made using a formal sealed bidding procedure. This procedure must be used by state agencies for purchasing items with a value of more than \$35,000 and by institutions of higher education for purchasing items with a value of \$35,000 or more.

These dollar figures have been adjusted for inflation by the Office of Financial Management since July 1, 1995, but the \$400 figure may not be increased to more than \$800.

Certain exceptions are made from these purchasing procedures, such as emergency purchases, purchases clearly and legitimately limited to a single source of supply, purchases involving special facilities, services, or market conditions.

Summary:

The direct buy minimum dollar value of purchases that may be made by state agencies and institutions of higher education, without using any procedure, is increased from \$400 to \$3,000.

The minimum dollar value of a purchase that may be made using the informal competitive bidding procedure, in which at least three quotations must be solicited from vendors, is increased from \$400 to \$3,000 for state agencies and from more than \$2,500 to more than \$3,000 for institutions of higher education.

These \$3,000 figures may not be increased for inflation to more than \$5,000.

Votes on Final Passage:

House 95 0

Senate 44 1

Effective: July 25, 1999