

HOUSE OF REPRESENTATIVES

Olympia, Washington

Bill Analysis

Bill No. HB 1653

Raising the limit on agency direct purchase authority without competitive bids.

Brief title

Hearing Date 2/17/99

Reps Kenney and Miloscia

Sponsor(s)

Staff Steve Andin

State Government Committee

Phone 786-7127

BACKGROUND:

State agencies and institutions purchase property for a variety of purposes. Depending on the value of the items purchased, the following procedures apply:

- o Small-value purchases may be made without competitive bids based on buyer experience and knowledge of the market, achieving a minimum unit value of items purchased does not exceed \$100.
- o Medium-value purchases may be made using informal competitive procedures where telephone or written negotiations are used for at least three vendors. At least one quotation must be solicited from a certified or a certified non-owned vendor. This procedure may be used by state agencies for purchases with a value of the items to be purchased from \$400 to \$35,000 and may be used by institutions for purchases between \$2,500 and \$35,000.
- o High-value purchases must be made using formal sealed bidding procedures. This procedure may be used by state agencies for purchases with a value of more than \$35,000 and by institutions for purchases with a value of \$35,000 or more.

Commencing July 1, 1995, the Office of Financial Management adjusted the dollar values every other year using an appropriate federal inflation index with amounts rounded to the nearest hundred dollars. However, the \$400 limit on the maximum value of items that may be purchased by state agencies without using any procedure may not be increased more than \$800.

Certain exceptions made from these purchasing procedures are emergency purchases, purchases clearly and legitimately tied to a single source of supply, purchases involving special services,

market conditions.

SUMMARY:

The minimum dollar value of purchases that may be made by state agencies and institutions for higher education without using procedures increased from \$400 to \$300 and the limitation on how much this minimum figure may be adjusted for inflation is eliminated.

The minimum dollar value of a purchase that may be made using the informal competitive bidding procedure, where at least three quotations must be solicited from vendors, 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.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session which it is passed.