

# SENATE BILL REPORT

## HB 2858

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As of February 17, 2010

**Title:** An act relating to purchasing authority of institutions of higher education with group purchasing organizations.

**Brief Description:** Regarding the purchasing authority of institutions of higher education.

**Sponsors:** Representatives Appleton, Anderson, Sells, White and Wallace.

**Brief History:** Passed House: 2/11/10, 97-0.

**Committee Activity:** Higher Education & Workforce Development: 2/17/10.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Aldo Melchiori (786-7439)

**Background:** The Department of General Administration (GA) establishes overall state policy for state purchasing, as well as contracts with individuals and companies outside of state government to provide goods and services to the state. Under delegated authority, other state agencies and the institutions of higher education also contract for goods and services. The state's purchasing authority is generally organized into categories based on the type of service. Among these categories are:

- Purchased goods and services. These goods and services are ones provided by a vendor to accomplish routine, continuing, and necessary functions.
- Personal services. This term refers to professional or technical expertise provided by a consultant to accomplish a specific study or project.
- Information services. These services include data processing, telecommunications, office automation, and computerized information systems.
- Printing services. This term refers to the production of the state's printed materials.

Insofar as practicable, all purchases and sales are based on competitive bids, and a formal sealed, electronic, or web-based bid procedure. This requirement also applies to purchases, contracts for purchases, and sales executed by agencies, including educational institutions, under delegated authority. However, formal sealed, electronic, or web-based competitive bidding is not necessary for:

- purchases by universities for hospital operation or biomedical teaching or research purposes, and by the state Purchasing and Material Control Director, as the agent for

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- state hospitals and health care programs provided in state correctional institutions and veterans' institutions (made by participating in contracts for materials, supplies, and equipment entered into by nonprofit cooperative hospital group purchasing organizations);
- purchases for resale by institutions of higher education to other than public agencies, when such purchases are for the express purpose of supporting instructional programs and may best be executed through direct negotiation with one or more suppliers in order to meet the special needs of the institution; or
  - purchases by institutions of higher education not exceeding \$35,000 – provided that for purchases between \$3,000 and \$35,000 quotations must be secured from at least three vendors to assure establishment of a competitive price.

**Summary of Bill:** Purchases of personal services; materials, supplies, or equipment; or information services made by state institutions of higher education may be accomplished using contracts entered into by, for, or through group purchasing organizations. All of the other applicable purchasing policies and procedures remain in effect.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Our colleges need to avail themselves to every cost savings opportunity they can access. This bill has the potential of saving precious state dollars.

**Persons Testifying:** PRO: Terry Teale, Council of Presidents; Chuck Greenough, State Board of Community and Technical Colleges.