
SUBSTITUTE SENATE BILL 5047

State of Washington

54th Legislature

1995 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senators Haugen, Winsley and Pelz)

Read first time 03/01/95.

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

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

4 **Sec. 1.** RCW 43.19.1906 and 1994 c 300 s 1 are each amended to read
5 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 (~~thirty-five~~) one hundred thousand
2 dollars, 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 (~~thirty-five~~) one hundred thousand dollar bid
7 limitation, or subsequent bid limitations as calculated by the office
8 of financial management: PROVIDED FURTHER, That the state purchasing
9 and material control director is authorized to reduce the formal sealed
10 bid limits of (~~thirty-five~~) one hundred thousand dollars, or
11 subsequent limits as calculated by the office of financial management,
12 to a lower dollar amount for purchases by individual state agencies if
13 considered necessary to maintain full disclosure of competitive
14 procurement or otherwise to achieve overall state efficiency and
15 economy in purchasing and material control. Quotations from four
16 hundred dollars to (~~thirty-five~~) one hundred thousand dollars, or
17 subsequent limits as calculated by the office of financial management,
18 shall be secured from at least three vendors to assure establishment of
19 a competitive price and may be obtained by telephone or written
20 quotations, or both: PROVIDED, That quotations from thirty-five
21 thousand dollars to one hundred thousand dollars shall be secured from
22 at least five vendors to assure establishment of a competitive price
23 and may be obtained by telephone or written quotations, or both. The
24 agency shall invite at least one quotation each from a certified
25 minority and a certified women-owned vendor who shall otherwise qualify
26 to perform such work. Immediately after the award is made, the bid
27 quotations obtained shall be recorded and open to public inspection and
28 shall be available by telephone inquiry. A record of competition for
29 all such purchases from four hundred dollars to (~~thirty-five~~) one
30 hundred thousand dollars, or subsequent limits as calculated by the
31 office of financial management, shall be documented for audit purposes.
32 Purchases up to four hundred dollars may be made without competitive
33 bids based on buyer experience and knowledge of the market in achieving
34 maximum quality at minimum cost: PROVIDED, That this four hundred
35 dollar direct buy limit without competitive bids may be increased
36 incrementally as required to a maximum of eight hundred dollars with
37 the approval of at least ten of the members of the state supply
38 management advisory board, if warranted by increases in purchasing
39 costs due to inflationary trends;

1 (3) Purchases which are clearly and legitimately limited to a
2 single source of supply and purchases involving special facilities,
3 services, or market conditions, in which instances the purchase price
4 may be best established by direct negotiation;

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

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

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

24 (7) Purchases by institutions of higher education not exceeding
25 (~~thirty-five~~) one hundred thousand dollars: PROVIDED, That for
26 purchases between two thousand five hundred dollars and (~~thirty-five~~)
27 one hundred thousand dollars quotations shall be secured from at least
28 three vendors to assure establishment of a competitive price and may be
29 obtained by telephone or written quotations, or both: PROVIDED, That
30 quotations from thirty-five thousand dollars to one hundred thousand
31 dollars shall be secured from at least five vendors to assure
32 establishment of a competitive price and may be obtained by telephone
33 or written quotations, or both. For purchases between two thousand
34 five hundred dollars and (~~thirty-five~~) one hundred thousand dollars,
35 each institution of higher education shall invite at least one
36 quotation each from a certified minority and a certified women-owned
37 vendor who shall otherwise qualify to perform such work. A record of
38 competition for all such purchases made from two thousand five hundred

1 to ((~~thirty-five~~)) one hundred thousand dollars shall be documented for
2 audit purposes; and

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

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