

SENATE BILL REPORT

SB 5370

As Passed Senate, March 11, 1999

Title: An act relating to the dollar limit under which competitive acquisition is not required.

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

Sponsors: Senators Patterson, Horn, B. Sheldon, Spanel and Haugen; by request of Department of General Administration.

Brief History:

Committee Activity: State & Local Government: 2/4/99, 2/8/99 [DP].
Passed Senate, 3/11/99, 41-0.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Haugen, Kline and McCaslin.

Staff: Diane Smith (786-7410)

Background: The Department of General Administration must purchase all material, supplies, and services on equipment needed by all state agencies and educational institutions unless an exemption applies. The department must use formal sealed bidding procedures for all these purchases and contracts to purchase unless an exemption applies.

Purchases under \$35,000 are exempt from the formal sealed bidding requirement. Instead of formal sealed bidding, quotations must be secured from at least three vendors. At least one quotation each must be requested from a certified minority vendor and a certified woman owned vendor. These quotations may be obtained either by telephone or in writing or both. These requirements apply to purchases from a floor of \$400 to \$35,000. Purchases under \$400 do not require competitive bids and are termed direct buy.–

For purchases by institutions of higher education, the same \$35,000 exemption applies except that for these institutions the floor above which at least three telephone or written quotations must be obtained is \$2,500.

Summary of Bill: For all purchases, both by institutions of higher education and all other purchases, the floor above which at least three telephone or written quotations must be obtained is raised to \$3,000.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill saves time and frees up staff time to focus on complex procurements. It gives the flexibility to buy locally and support small business. This is especially important in rural areas. The \$2,500 limit for higher education has allowed reduction in paperwork and staff processing time. Requiring three quotations for specialized vessel propulsion parts causes needless delays.

Testimony Against: None.

Testified: PRO: Pat Kohler, Dept. of General Administration; Juan Tober, Dept. of Transportation; Vallie Jo Fry, Board for Community and Technical Colleges; Robert Glatzer, Governor's Small Business Improvement Council; Gary Smith, Ind. Bus. Assn.