

SENATE BILL REPORT

SB 6025

As Passed Senate, March 12, 1999

Title: An act relating to purchases for resale by institutions of higher education.

Brief Description: Allowing purchases for resale by institutions of higher education without using the competitive bid process.

Sponsors: Senators Bauer, Horn and Patterson; by request of State Board for Community and Technical Colleges.

Brief History:

Committee Activity: Higher Education: 3/1/99, 3/3/99 [DP].
Passed Senate, 3/12/99, 47-0.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Bauer, Horn, Jacobsen, McAuliffe, Sheahan and B. Sheldon.

Staff: Jean Six (786-7423)

Background: Colleges purchase resale goods to support a variety of instructional programs and college enterprise activities. In instructional programs, these goods are used to provide hands on training for students as well as service to the public. In some programs the purchasing process is a part of the learning process.

For a number of years, higher education institutions have operated as though exempt from compliance with the competitive bid requirements applied to purchases of goods for resale.

A question from the State Auditor's Office prompted a review of the statutes. As a result of that review, these purchases are not currently exempt from competitive bid requirements. A change in statute is required to establish an exemption for the purchase of goods for resale by institutions of higher education.

Summary of Bill: Purchases by institutions of higher education for resale to other than public agencies are exempt from the competitive bid process.

Appropriation: None.

Fiscal Note: Requested on February 23, 1999.

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

Testimony For: The colleges have operated for years as though they were already exempt from the competitive bid process. This change puts customary practice into statute.

Testimony Against: None.

Testified: Vallie Jo Fry, SBCTC.

House Amendment(s): Specifies that institutions of higher education may make purchases for resale through direct negotiation with suppliers only when they are for the express purpose of supporting instructional programs.