
HOUSE BILL 2850

State of Washington 52nd Legislature 1992 Regular Session

By Representatives Jacobsen, Wood and Ogden

Read first time 01/29/92. Referred to Committee on Higher Education.

1 AN ACT Relating to higher education purchasing; and reenacting and
2 amending RCW 43.19.1906.

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

4 **Sec. 1.** RCW 43.19.1906 and 1987 c 81 s 1 and 1987 c 70 s 2 are
5 each reenacted and amended to read 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, as
11 now or hereafter amended. This requirement also applies to purchases
12 and contracts for purchases and sales executed by agencies, including
13 educational institutions, under delegated authority granted in

1 accordance with provisions of RCW 43.19.190 as now or hereafter
2 amended. However, formal sealed bidding is not necessary for:

3 (1) Emergency purchases made pursuant to RCW 43.19.200 if the
4 sealed bidding procedure would prevent or hinder the emergency from
5 being met appropriately;

6 (2) Purchases not exceeding five thousand dollars, or subsequent
7 limits as calculated by the office of financial management: PROVIDED,
8 That the state director of general administration shall establish
9 procedures to assure that purchases made by or on behalf of the various
10 state agencies shall not be made so as to avoid the five thousand
11 dollar bid limitation, or subsequent bid limitations as calculated by
12 the office of financial management: PROVIDED FURTHER, That the state
13 purchasing and material control director is authorized to reduce the
14 formal sealed bid limits of five thousand dollars, or subsequent limits
15 as calculated by the office of financial management, to a lower dollar
16 amount for purchases by individual state agencies, including purchases
17 of specialized equipment, instructional, and research equipment and
18 materials by colleges and universities, if considered necessary to
19 maintain full disclosure of competitive procurement or otherwise to
20 achieve overall state efficiency and economy in purchasing and material
21 control. Quotations from four hundred dollars to five thousand
22 dollars, or subsequent limits as calculated by the office of financial
23 management, shall be secured from enough vendors to assure
24 establishment of a competitive price and may be obtained by telephone
25 or written quotations, or both. Immediately after the award is made,
26 the bid quotations obtained shall be recorded and open to public
27 inspection and shall be available by telephone inquiry. A record of
28 competition for all such purchases from four hundred dollars to five
29 thousand dollars, or subsequent limits as calculated by the office of
30 financial management, shall be documented for audit purposes on a

1 standard state form approved by the forms management center under the
2 provisions of RCW 43.19.510. Purchases up to four hundred dollars may
3 be made without competitive bids based on buyer experience and
4 knowledge of the market in achieving maximum quality at minimum cost:
5 PROVIDED, That this four hundred dollar direct buy limit without
6 competitive bids may be increased incrementally as required to a
7 maximum of eight hundred dollars with the approval of at least ten of
8 the members of the state supply management advisory board, if warranted
9 by increases in purchasing costs due to inflationary trends;

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

14 (4) Purchases of insurance and bonds by the risk management office
15 under RCW 43.19.1935 as now or hereafter amended;

16 (5) Purchases and contracts for vocational rehabilitation clients
17 of the department of social and health services: PROVIDED, That this
18 exemption is effective only when the state purchasing and material
19 control director, after consultation with the director of the division
20 of vocational rehabilitation and appropriate department of social and
21 health services procurement personnel, declares that such purchases may
22 be best executed through direct negotiation with one or more suppliers
23 in order to expeditiously meet the special needs of the state's
24 vocational rehabilitation clients;

25 (6) Purchases by universities for hospital operation or biomedical
26 teaching or research purposes and by the state purchasing and material
27 control director, as the agent for state hospitals as defined in RCW
28 72.23.010, and for health care programs provided in state correctional
29 institutions as defined in RCW 72.65.010(3) and veterans' institutions
30 as defined in RCW 72.36.010 and 72.36.070, made by participating in

1 contracts for materials, supplies, and equipment entered into by
2 cooperative hospital service organizations as defined in section 501(e)
3 of the Internal Revenue Code, or its successor; (~~and~~)

4 (7) Purchases funded by grants, contracts, gifts, or continuing
5 education by state institutions of higher education not exceeding
6 fifteen thousand dollars. The state director of general administration
7 shall establish procedures to assure that purchases made by or on
8 behalf of the state institutions of higher education shall not be made
9 to avoid the fifteen thousand dollar bid limitation. Purchases made up
10 to two thousand five hundred dollars may be made without competitive
11 bids based on buyer experience and knowledge of the market in achieving
12 maximum quality at minimum cost. A record of competition for all such
13 purchases made from two thousand five hundred to fifteen thousand
14 dollars shall be documented for audit purposes on a standard state form
15 approved by the forms management center under provisions of RCW
16 43.19.510; and

17 (8) Beginning on July 1, 1989, and on July 1 of each succeeding
18 odd-numbered year, the five thousand dollar limit specified in
19 subsection (2) of this section shall be adjusted as follows: The
20 office of financial management shall calculate such limit by adjusting
21 the previous biennium's limit by the appropriate federal inflationary
22 index reflecting the rate of inflation for the previous biennium. Such
23 amounts shall be rounded to the nearest one hundred dollars.