
ENGROSSED SUBSTITUTE HOUSE BILL 2815

State of Washington

53rd Legislature

1994 Regular Session

By House Committee on State Government (originally sponsored by Representatives Anderson, Veloria, Caver, Wolfe, Romero, Reams, Bray, Ballard, Pruitt, Jones and Quall; by request of Department of General Administration)

Read first time 02/04/94.

1 AN ACT Relating to reforming state procurement practices; and
2 amending RCW 43.19.1906 and 43.19.1908.

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

4 **Sec. 1.** RCW 43.19.1906 and 1993 c 379 s 103 are each amended to
5 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. 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 ((five)) fifteen thousand dollars, or
2 subsequent limits as calculated by the office of financial management:
3 PROVIDED, That the state director of general administration shall
4 establish procedures to assure that purchases made by or on behalf of
5 the various state agencies shall not be made so as to avoid the
6 ((five)) fifteen thousand dollar bid limitation, or subsequent bid
7 limitations as calculated by the office of financial management:
8 PROVIDED FURTHER, That the state purchasing and material control
9 director is authorized to reduce the formal sealed bid limits of
10 ((five)) fifteen thousand dollars, or subsequent limits as calculated
11 by the office of financial management, to a lower dollar amount for
12 purchases by individual state agencies if considered necessary to
13 maintain full disclosure of competitive procurement or otherwise to
14 achieve overall state efficiency and economy in purchasing and material
15 control. Quotations from four hundred dollars to ((five)) fifteen
16 thousand dollars, or subsequent limits as calculated by the office of
17 financial management, shall be secured from enough vendors to assure
18 establishment of a competitive price and may be obtained by telephone
19 or written quotations, or both. The agency shall invite at least one
20 quotation each from a certified minority and a certified women-owned
21 contractor who shall otherwise qualify to perform such work.
22 Immediately after the award is made, the bid quotations obtained shall
23 be recorded and open to public inspection and shall be available by
24 telephone inquiry. A record of competition for all such purchases from
25 four hundred dollars to ((five)) fifteen thousand dollars, or
26 subsequent limits as calculated by the office of financial management,
27 shall be documented for audit purposes (~~on a standard state form~~
28 ~~approved by the forms management center under the provisions of RCW~~
29 ~~43.19.510~~). Purchases up to four hundred dollars may be made without
30 competitive bids based on buyer experience and knowledge of the market
31 in achieving maximum quality at minimum cost: PROVIDED, That this four
32 hundred dollar direct buy limit without competitive bids may be
33 increased incrementally as required to a maximum of eight hundred
34 dollars with the approval of at least ten of the members of the state
35 supply management advisory board, if warranted by increases in
36 purchasing costs due to inflationary trends;

37 (3) Purchases which are clearly and legitimately limited to a
38 single source of supply and purchases involving special facilities,

1 services, or market conditions, in which instances the purchase price
2 may be best established by direct negotiation;

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

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

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

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

34 (8) Beginning on July 1, 1995, and on July 1 of each succeeding
35 odd-numbered year, the dollar limits specified in this section shall be
36 adjusted as follows: The office of financial management shall
37 calculate such limits by adjusting the previous biennium's limits by
38 the appropriate federal inflationary index reflecting the rate of

1 inflation for the previous biennium. Such amounts shall be rounded to
2 the nearest one hundred dollars.

3 **Sec. 2.** RCW 43.19.1908 and 1965 c 8 s 43.19.1908 are each amended
4 to read as follows:

5 Competitive bidding required by RCW 43.19.190 through 43.19.1939
6 shall be solicited by public notice, and through the sending of notices
7 by mail, electronic transmission, or other means to bidders on the
8 appropriate list of bidders who shall have qualified by application to
9 the division of purchasing. Bids may be solicited by the purchasing
10 division from any source thought to be of advantage to the state. All
11 bids shall be in writing and conform to rules of the division of
12 purchasing.

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