

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2815

53rd Legislature
1994 Regular Session

Passed by the House March 9, 1994
Yeas 93 Nays 2

Speaker of the
House of Representatives

Passed by the Senate March 9, 1994
Yeas 46 Nays 1

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2815** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

Secretary of State
State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 2815

AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 1994 Regular Session

State of Washington 53rd Legislature 1994 Regular Session

By House Committee on State Government (originally sponsored by Representatives Anderson, Voloria, 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)) thirty-five thousand dollars,
2 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 ((five)) thirty-five thousand dollar bid limitation, or
7 subsequent bid limitations as calculated by the office of financial
8 management: PROVIDED FURTHER, That the state purchasing and material
9 control director is authorized to reduce the formal sealed bid limits
10 of ((five)) thirty-five thousand dollars, or subsequent limits as
11 calculated by the office of financial management, to a lower dollar
12 amount for purchases by individual state agencies if considered
13 necessary to maintain full disclosure of competitive procurement or
14 otherwise to achieve overall state efficiency and economy in purchasing
15 and material control. Quotations from four hundred dollars to ((five))
16 thirty-five thousand dollars, or subsequent limits as calculated by the
17 office of financial management, shall be secured from ((enough)) at
18 least three vendors to assure establishment of a competitive price and
19 may be obtained by telephone or written quotations, or both. The
20 agency shall invite at least one quotation each from a certified
21 minority and a certified women-owned vendor who shall otherwise qualify
22 to perform such work. Immediately after the award is made, the bid
23 quotations obtained shall be recorded and open to public inspection and
24 shall be available by telephone inquiry. A record of competition for
25 all such purchases from four hundred dollars to ((five)) thirty-five
26 thousand dollars, or subsequent limits as calculated by the office of
27 financial management, shall be documented for audit purposes ((~~on a~~
28 ~~standard state form approved by the forms management center under the~~
29 ~~provisions of RCW 43.19.510~~)). Purchases up to four hundred dollars
30 may be made without competitive bids based on buyer experience and
31 knowledge of the market in achieving maximum quality at minimum cost:
32 PROVIDED, That this four hundred dollar direct buy limit without
33 competitive bids may be increased incrementally as required to a
34 maximum of eight hundred dollars with the approval of at least ten of
35 the members of the state supply management advisory board, if warranted
36 by increases in 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~~) thirty-five thousand dollars: PROVIDED, That for purchases
24 between two thousand five hundred dollars and (~~fifteen~~) thirty-five
25 thousand dollars quotations shall be secured from (~~enough~~) at least
26 three vendors to assure establishment of a competitive price and may be
27 obtained by telephone or written quotations, or both. For purchases
28 between two thousand five hundred dollars and thirty-five thousand
29 dollars, each institution of higher education shall invite at least one
30 quotation each from a certified minority and a certified women-owned
31 vendor who shall otherwise qualify to perform such work. A record of
32 competition for all such purchases made from two thousand five hundred
33 to (~~fifteen~~) thirty-five thousand dollars shall be documented for
34 audit purposes; and

35 (8) Beginning on July 1, 1995, and on July 1 of each succeeding
36 odd-numbered year, the dollar limits specified in this section shall be
37 adjusted as follows: The office of financial management shall
38 calculate such limits by adjusting the previous biennium's limits by
39 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.

--- END ---