

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2815**

Chapter 300, Laws of 1994  
CHAPTER NO. CORRECTED

53rd Legislature  
1994 Regular Session

STATE PROCUREMENT--THRESHOLDS AND INVITATIONS TO BID

EFFECTIVE DATE: 6/9/94

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

BRIAN EBERSOLE

**Speaker of the  
House of Representatives**

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

JOEL PRITCHARD

**President of the Senate**

Approved April 2, 1994

MIKE LOWRY

**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.

MARILYN SHOWALTER

**Chief Clerk**

FILED

April 2, 1994 - 2:10 p.m.

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 2815**

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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.

Passed the House March 9, 1994.

Passed the Senate March 9, 1994.

Approved by the Governor April 2, 1994.

Filed in Office of Secretary of State April 2, 1994.