
SENATE BILL 5370

State of Washington

56th Legislature

1999 Regular Session

By Senators Patterson, Horn, B. Sheldon, Spanel and Haugen; by request of Department of General Administration

Read first time 01/21/1999. Referred to Committee on State & Local Government.

1 AN ACT Relating to the dollar limit under which competitive
2 acquisition is not required; and 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 1995 c 269 s 1404 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 thirty-five 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 thirty-
6 five thousand dollar bid limitation, or subsequent bid limitations as
7 calculated by the office of financial management: PROVIDED FURTHER,
8 That the state purchasing and material control director is authorized
9 to reduce the formal sealed bid limits of thirty-five thousand dollars,
10 or subsequent limits as calculated by the office of financial
11 management, to a lower dollar amount for purchases by individual state
12 agencies if considered necessary to maintain full disclosure of
13 competitive procurement or otherwise to achieve overall state
14 efficiency and economy in purchasing and material control. Quotations
15 from (~~four hundred~~) three thousand dollars to thirty-five thousand
16 dollars, or subsequent limits as calculated by the office of financial
17 management, shall be secured from at least three 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 vendor who shall otherwise qualify to perform such work. Immediately
22 after the award is made, the bid quotations obtained shall be recorded
23 and open to public inspection and shall be available by telephone
24 inquiry. A record of competition for all such purchases from (~~four~~
25 ~~hundred~~) three thousand dollars to thirty-five thousand dollars, or
26 subsequent limits as calculated by the office of financial management,
27 shall be documented for audit purposes. Purchases up to (~~four~~
28 ~~hundred~~) three thousand dollars may be made without competitive bids
29 based on buyer experience and knowledge of the market in achieving
30 maximum quality at minimum cost: PROVIDED, That this (~~four hundred~~)
31 three thousand dollar direct buy limit without competitive bids may be
32 increased incrementally as required (~~to a maximum of eight hundred~~
33 ~~dollars, if warranted by increases in purchasing costs due to~~
34 ~~inflationary trends~~) by subsection (8) of this section, subject to
35 office of state procurement's review of the agency's use of this
36 authority;

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 thirty-five thousand dollars: PROVIDED, That for purchases between
24 ~~((two))~~ three thousand ~~((five-hundred))~~ dollars and thirty-five
25 thousand dollars quotations shall be secured from at least three
26 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))~~ three thousand ~~((five-hundred))~~ dollars and thirty-five
29 thousand dollars, each institution of higher education shall invite at
30 least one quotation each from a certified minority and a certified
31 women-owned vendor who shall otherwise qualify to perform such work.
32 A record of competition for all such purchases made from ~~((two))~~ three
33 thousand ~~((five-hundred))~~ to thirty-five thousand dollars shall be
34 documented for 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.

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