

CERTIFICATION OF ENROLLMENT

**SENATE BILL 6025**

Chapter 195, Laws of 1999

56th Legislature  
1999 Regular Session

PURCHASES FOR RESALE BY INSTITUTIONS OF HIGHER EDUCATION--SEALED  
BIDDING UNNECESSARY

EFFECTIVE DATE: 7/25/99

Passed by the Senate April 22, 1999  
YEAS 46 NAYS 0

BRAD OWEN  
**President of the Senate**

Passed by the House April 9, 1999  
YEAS 90 NAYS 0

CLYDE BALLARD  
**Speaker of the  
House of Representatives**

FRANK CHOPP  
**Speaker of the  
House of Representatives**

Approved May 5, 1999

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6025** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK  
**Secretary**

FILED

May 5, 1999 - 4:26 p.m.

**Secretary of State  
State of Washington**

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**SENATE BILL 6025**

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AS AMENDED BY THE HOUSE

Passed Legislature - 1999 Regular Session

**State of Washington                      56th Legislature                      1999 Regular Session**

**By** Senators Bauer, Horn and Patterson; by request of State Board for  
Community and Technical Colleges

Read first time 02/23/1999. Referred to Committee on Higher Education.

1            AN ACT Relating to purchases for resale by institutions of higher  
2 education; 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 dollars to thirty-five thousand dollars, or  
16 subsequent limits as calculated by the office of financial management,  
17 shall be secured from at least three vendors to assure establishment of  
18 a competitive price and may be obtained by telephone or written  
19 quotations, or both. The agency shall invite at least one quotation  
20 each from a certified minority and a certified women-owned vendor who  
21 shall otherwise qualify to perform such work. Immediately after the  
22 award is made, the bid quotations obtained shall be recorded and open  
23 to public inspection and shall be available by telephone inquiry. A  
24 record of competition for all such purchases from four hundred dollars  
25 to thirty-five thousand dollars, or subsequent limits as calculated by  
26 the office of financial management, shall be documented for audit  
27 purposes. Purchases up to four hundred dollars may be made without  
28 competitive bids based on buyer experience and knowledge of the market  
29 in achieving maximum quality at minimum cost: PROVIDED, That this four  
30 hundred dollar direct buy limit without competitive bids may be  
31 increased incrementally as required to a maximum of eight hundred  
32 dollars, if warranted by increases in purchasing costs due to  
33 inflationary trends;

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

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

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

10 (6) Purchases by universities for hospital operation or biomedical  
11 teaching or research purposes and by the state purchasing and material  
12 control director, as the agent for state hospitals as defined in RCW  
13 72.23.010, and for health care programs provided in state correctional  
14 institutions as defined in RCW 72.65.010(3) and veterans' institutions  
15 as defined in RCW 72.36.010 and 72.36.070, made by participating in  
16 contracts for materials, supplies, and equipment entered into by  
17 nonprofit cooperative hospital group purchasing organizations;

18 (7) Purchases for resale by institutions of higher education to  
19 other than public agencies when such purchases are for the express  
20 purpose of supporting instructional programs and may best be executed  
21 through direct negotiation with one or more suppliers in order to meet  
22 the special needs of the institution;

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

35 ((+8)) (9) Beginning on July 1, 1995, and on July 1 of each  
36 succeeding odd-numbered year, the dollar limits specified in this  
37 section shall be adjusted as follows: The office of financial  
38 management shall calculate such limits by adjusting the previous  
39 biennium's limits by the appropriate federal inflationary index

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

Passed the Senate April 22, 1999.

Passed the House April 9, 1999.

Approved by the Governor May 5, 1999.

Filed in Office of Secretary of State May 5, 1999.