

(4) "Participant" means a doctor, hospital, or licensed pharmacy, drug store or dispensary, who or which has contracted in writing with a health care service contractor to accept payment from and to look solely to such contractor according to the terms of the subscriber contract for any health care services rendered to a person who has previously paid such contractor for such services.

Passed the Senate February 22, 1980.

Passed the House February 15, 1980.

Approved by the Governor March 10, 1980.

Filed in Office of Secretary of State March 10, 1980.

CHAPTER 103

[Substitute Senate Bill No. 3330]

UNIVERSITY HOSPITAL PURCHASING AUTHORITY

AN ACT Relating to university hospital purchasing authority; amending section 3, chapter 32, Laws of 1969 as last amended by section 1, chapter 88, Laws of 1979 and RCW 43.19.190; and amending section 43.19.1906, chapter 8, Laws of 1965 as last amended by section 1, chapter 14, Laws of 1979 ex. sess. and RCW 43.19.1906.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 3, chapter 32, Laws of 1969 as last amended by section 1, chapter 88, Laws of 1979 and RCW 43.19.190 are each amended to read as follows:

The director of general administration, through the state purchasing and material control director, shall:

(1) Establish and staff such administrative organizational units within the division of purchasing as may be necessary for effective administration of the provisions of RCW 43.19.190 through 43.19.1939;

(2) Purchase all material, supplies, services, and equipment needed for the support, maintenance, and use of all state institutions, colleges, community colleges, and universities, the offices of the elective state officers, the supreme court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the state: **PROVIDED**, That the provisions of (~~this act shall~~) RCW 43.19.190 through 43.19.1937 do not apply in any manner to the operation of the state legislature except as requested by said legislature: PROVIDED, That primary authority for the purchase of specialized equipment, instructional, and research material for their own use shall rest with the colleges, community colleges, and universities: **PROVIDED FURTHER**, That universities operating hospitals may make purchases for hospital operation by participating in contracts for materials, supplies, and equipment entered into by cooperative hospital service organizations as defined in section 501(e) of the Internal Revenue Code, or its successor: PROVIDED FURTHER, That primary authority for the purchase of materials, supplies, and equipment for

resale to other than public agencies shall rest with the state agency concerned: PROVIDED FURTHER, That authority to purchase services as included herein does not apply to personal services authorized for direct acquisition from vendors by state organizations and filed under the provisions of RCW 39.29.010 through 39.29.030, unless such organization specifically requests assistance from the division of purchasing in obtaining personal services and resources are available within the division to provide such assistance: PROVIDED FURTHER, That the authority for the purchase of insurance and bonds shall rest with the risk manager under RCW 43.19-.1935 as now or hereafter amended;

(3) Provide the required staff assistance for the state supply management advisory board through the division of purchasing;

(4) Have authority to delegate to state agencies authorization to purchase or sell, which authorization shall specify restrictions as to dollar amount or to specific types of material, equipment, services, and supplies: PROVIDED, That acceptance of the purchasing authorization by a state agency does not relieve such agency from conformance with other sections of RCW 43.19.190 through 43.19.1939, as now or hereafter amended, or from policies established by the director after consultation with the state supply management advisory board: PROVIDED FURTHER, That delegation of such authorization to a state agency, including an educational institution, to purchase or sell material, equipment, services, and supplies shall not be granted, or otherwise continued under a previous authorization, if such agency is not in substantial compliance with overall state purchasing and material control policies as established herein;

(5) Contract for the testing of material, supplies, and equipment with public and private agencies as necessary and advisable to protect the interests of the state;

(6) Prescribe the manner of inspecting all deliveries of supplies, materials, and equipment purchased through the division;

(7) Prescribe the manner in which supplies, materials, and equipment purchased through the division shall be delivered, stored, and distributed;

(8) Provide for the maintenance of a catalogue library, manufacturers' and wholesalers' lists, and current market information;

(9) Provide for a commodity classification system and may, in addition, provide for the adoption of standard specifications after receiving the recommendation of the supply management advisory board;

(10) Provide for the maintenance of inventory records of supplies, materials, and other property;

(11) Prepare rules and regulations governing the relationship and procedures between the division of purchasing and state agencies and vendors;

(12) Publish procedures and guidelines for compliance by all state agencies, including educational institutions, which implement overall state purchasing and material control policies;

(13) Conduct periodic visits to state agencies, including educational institutions, to determine if statutory provisions and supporting purchasing and material control policies are being fully implemented, and based upon such visits, take corrective action to achieve compliance with established purchasing and material control policies under existing statutes when required.

Sec. 2. Section 43.19.1906, chapter 8, Laws of 1965 as last amended by section 1, chapter 14, Laws of 1979 ex. sess. and RCW 43.19.1906 are each amended to read as follows:

Insofar as practicable, all purchases and sales shall be based on competitive bids and a formal sealed bid procedure shall be used as standard procedure for all purchases and contracts for purchases and sales executed by the state purchasing and material control director and under the powers granted by RCW 43.19.190 through 43.19.1939, as now or hereafter amended. This requirement shall also apply to purchases and contracts for purchases and sales executed by agencies, including educational institutions, under delegated authority granted in accordance with provisions of RCW 43.19.190 as now or hereafter amended. However, formal sealed bidding shall not be necessary for:

(1) Emergency purchases if such sealed bidding procedure would prevent or hinder the emergency from being met appropriately;

(2) Purchases not exceeding twenty-five hundred dollars: **PROVIDED**, That the state director of general administration shall establish procedures to assure that purchases made by or on behalf of the various state agencies shall not be made so as to avoid the twenty-five hundred dollar bid limitation: **PROVIDED FURTHER**, That the state purchasing and material control director is authorized to reduce this formal sealed bid limit of twenty-five hundred dollars to a lower dollar amount for purchases by individual state agencies, including purchases of specialized equipment, instructional, and research materials by colleges and universities, if considered necessary to maintain full disclosure of competitive procurement or otherwise to achieve overall state efficiency and economy in purchasing and material control. Quotations from two hundred dollars to twenty-five hundred dollars shall be secured from enough vendors to assure establishment of a competitive price. A record of competition for all such purchases from two hundred dollars to twenty-five hundred dollars shall be documented for audit purposes on a standard state form approved by the forms management center under the provisions of RCW 43.19.510. Purchases up to two hundred dollars may be made without competitive bids based on buyer experience and knowledge of the market in achieving maximum quality at minimum cost: **PROVIDED**, That this two hundred dollar direct buy limit without competitive bids may be increased incrementally as required to a maximum of four hundred dollars by unanimous vote by all members of the state supply

management advisory board, if warranted by increases in purchasing costs due to inflationary trends;

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

(4) Purchases of insurance and bonds by the risk management office under RCW 43.19.1935 as now or hereafter amended; ~~((and))~~

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

(6) Purchases by universities for hospital operation made by participating in contracts for materials, supplies, and equipment entered into by cooperative hospital service organizations as defined in section 501(e) of the Internal Revenue Code, or its successor.

NEW SECTION. Sec. 3. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the Senate February 22, 1980.

Passed the House February 18, 1980.

Approved by the Governor March 10, 1980.

Filed in Office of Secretary of State March 10, 1980.

CHAPTER 104

[Engrossed Senate Bill No. 3331]

MOTOR VEHICLE—OPERATION VIOLATIONS—PENALTIES

AN ACT Relating to motor vehicles; amending section 46.48.175, chapter 12, Laws of 1961 and RCW 46.48.175; amending section 1, chapter 69, Laws of 1969 ex. sess. as amended by section 1, chapter 148, Laws of 1971 ex. sess. and RCW 46.44.120; amending section 2, chapter 69, Laws of 1969 ex. sess. and RCW 46.16.500; amending section 3, chapter 69, Laws of 1969 ex. sess. and RCW 46.37.600; amending section 81.04.390, chapter 14, Laws of 1961 and RCW 81.04.390; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 46.48.175, chapter 12, Laws of 1961 and RCW 46.48.175 are each amended to read as follows: