1

## CHAPTER 342

## [Substitute House Bill No. 391] STATE PURCHASING—COMPETITIVE BIDDING REVISIONS

AN ACT Relating to state purchasing; and amending RCW 43.19.1906.

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

Sec. 1. Section 43.19.1906, chapter 8, Laws of 1965 as last amended by section 3, chapter 102, Laws of 1984 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 also applies 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 is not necessary for:

(1) Emergency purchases made pursuant to RCW 43.19.200 if the sealed bidding procedure would prevent or hinder the emergency from being met appropriately;

(2) Purchases not exceeding twenty-five hundred dollars, or purchases not exceeding five thousand dollars when the purchases are made by colleges and universities and are limited to the acquisition of equipment and materials to be used for research purposes: 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 or the five thousand dollar bid limitation: PROVIDED FURTHER, That the state purchasing and material control director is authorized to reduce ((this)) the formal scaled bid limits of twenty-five hundred dollars and five thousand dollars to a lower dollar amount for purchases by individual state agencies, including purchases of specialized equipment, instructional, and research equipment and 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 four hundred dollars to twenty-five hundred dollars or five thousand dollars, whichever is applicable, shall be secured from enough vendors to assure establishment of a competitive price. A record of competition for all such purchases from four hundred dollars to twenty-five hundred dollars or five thousand dollars, whichever is applicable, 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 four 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 four hundred dollar direct buy limit without competitive bids may be increased incrementally as required to a maximum of eight hundred dollars with the approval of at least ten of the 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;

(5) Purchases and contracts for vocational rehabilitation clients of the department of social and health services: PROVIDED, That this exemption is 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.

Passed the House March 1, 1985. Passed the Senate April 25, 1985. Approved by the Governor May 16, 1985. Filed in Office of Secretary of State May 16, 1985.

## CHAPTER 343

[Engrossed Substitute House Bill No. 781] WASHINGTON DISTINGUISHED PROFESSORSHIP PROGRAM

AN ACT Relating to higher education; adding new sections to chapter 28B.10 RCW; and creating a new section.

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

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 28B.10 RCW to read as follows:

The legislature recognizes that the state four-year institutions of higher education would be strengthened by the establishment of a Washington distinguished professorship program. It is therefore the intent