

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

EXPLANATORY NOTE

RCW 66.12.110 was amended twice during the 1975 first extraordinary session of the legislature, each without reference to the other.

(1) 1975 1st ex.s. c 173 § 2 added a second paragraph at the end of the section.

(2) 1975 1st ex.s. c 256 § 1 added the identical paragraph but also included the last sentence regarding the issuance of class H licenses to certain charitable or nonprofit corporations.

As these amendments appear to be in different respects, the purpose of this act is to give effect to each by reenacting the section with both amendments included therein.

Passed the House January 23, 1976.

Passed the Senate February 13, 1976.

Approved by the Governor February 18, 1976.

Filed in Office of Secretary of State February 18, 1976.

CHAPTER 21

[Engrossed Senate Bill No. 2060]

STATE PURCHASING AND
MATERIAL CONTROL

AN ACT Relating to purchasing and material control in state government; amending section 43.19.180, chapter 8, Laws of 1965 and RCW 43.19.180; amending section 3, chapter 32, Laws of 1969 as amended by section 110, chapter 81, Laws of 1971 and RCW 43.19.190; amending section 43.19.1902, chapter 8, Laws of 1965 as amended by section 3, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1902; amending section 43.19.1904, chapter 8, Laws of 1965 as amended by section 4, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1904; amending section 43.19.1906, chapter 8, Laws of 1965 and RCW 43.19.1906; amending section 43.19.1917, chapter 8, Laws of 1965 as amended by section 2, chapter 53, Laws of 1969 ex. sess. and RCW 43.19.1917; amending section 6, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1918; amending section 43.19.1919, chapter 8, Laws of 1965 and RCW 43.19.1919; amending section 43.19.1923, chapter 8, Laws of 1965 as amended by section 5, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1923; amending section 43.19.1937, chapter 8, Laws of 1965 and RCW 43.19.1937; creating new sections; providing penalties; and declaring an emergency.

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

Section 1. Section 43.19.180, chapter 8, Laws of 1965 and RCW 43.19.180 are each amended to read as follows:

The director of general administration shall appoint and deputize an assistant director to be known as the ~~((supervisor of purchasing))~~ state purchasing and material control director, who shall have charge and supervision of the division of purchasing. In this capacity he shall ensure that overall state purchasing and material control policy is implemented by state agencies, including educational institutions, within established time limits.

With the approval of the director of general administration, he may appoint and employ such assistants and personnel as may be necessary to carry on the work of the division.

Sec. 2. Section 3, chapter 32, Laws of 1969 as amended by section 110, chapter 81, Laws of 1971 and RCW 43.19.190 are each amended to read as follows:

The director of general administration, through the ~~((division of purchasing))~~ 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 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 primary authority for the purchase of materials, supplies and equipment for resale to other than ((state)) 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;

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

(4) Have authority to delegate to state agencies (~~a limited~~) 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 ((limited)) 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 ((purchasing advisory committee)) 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 ~~((purchasing advisory committee))~~ supply management advisory board;

(10) Provide for the maintenance of inventory records of supplies, materials, equipment, 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. 3. Section 43.19.1902, chapter 8, Laws of 1965 as amended by section 3, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1902 are each amended to read as follows:

There is hereby created a state ~~((purchasing advisory committee))~~ supply management advisory board which shall consist of ~~((seven))~~ twelve members as follows: The director of general administration as chairman, and a representative from each of the following ~~((six))~~ eight state agencies, who shall be appointed by the governor based upon recommendations of the head of the agency from which the selection is made; the department of highways, the department of ~~((institutions))~~ social and health services, the department of natural resources, the University of Washington, Washington State University, the state board for community college education, the superintendent of public instruction, and the ~~((central budget agency))~~ office of program planning and fiscal management. In addition, three members shall be appointed by the governor to the board from the private sector: PROVIDED, That special care shall be exercised to select private sector representatives without a conflict of interest involving sale, lease or rental of property, material, supplies, equipment, commodities, or services to the state of Washington. Members of the ~~((advisory committee))~~ board shall serve without additional compensation and at the pleasure of the governor, but shall be reimbursed for subsistence, lodging, and travel expenses as provided in chapter 43.03 RCW, as now or hereafter amended. Board members from the private sector shall be reimbursed from appropriated funds allocated to the division of purchasing. All other board members shall be reimbursed from funds appropriated for their respective agencies. ~~((Four))~~ Seven members of the ~~((advisory committee))~~ board shall constitute a quorum. The ~~((advisory committee))~~ board shall meet upon call of the chairman and shall adopt rules and regulations for the conduct of its business. The chairman may appoint special committees for the study of specific subjects, which special committees may include representatives of such other state agencies as may be deemed appropriate.

Sec. 4. Section 43.19.1904, chapter 8, Laws of 1965 as amended by section 4, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1904 are each amended to read as follows:

The state (~~((purchasing advisory committee))~~) supply management advisory board shall advise and give assistance to the director of general administration in planning and carrying out (~~((the most))~~) an efficient and economical purchasing and material control program.

The state (~~((purchasing advisory committee))~~) supply management advisory board shall review and make recommendations to the director with respect to:

- (1) Standards and specifications for all items of material, supplies, and equipment of common usage in state agencies;
- (2) Specifications for specific items of material, supplies, and equipment referred to it by the division of purchasing;
- (3) Standards for the purchase, replacement, and repair of automotive equipment consistent with the needs and location of state agencies;
- (4) A uniform system of inventory control for material, supplies, and equipment;
- (5) All other matters referred to it by the director of general administration or by a member of the advisory (~~((committee))~~) board.

The state (~~((purchasing advisory committee))~~) supply management advisory board shall act as an appeals board to hear appeals on matters involving a state agency and the division of purchasing, and shall render its decision relating thereto within thirty days after filing of the appeal. The findings and actions of the (~~((advisory committee))~~) board shall be binding upon the respective state agencies including all offices, institutions, and departments.

Public funds shall not be expended by any agency for substitutions for material, supplies, and equipment for which standards have been established by the division of purchasing after consulting with and receiving the recommendations of the (~~((advisory committee))~~) board unless prior written approval is obtained from the (~~((division of))~~) state purchasing and material control director.

NEW SECTION. Sec. 5. There is added to chapter 43.19 RCW a new section to read as follows:

The director of general administration, after consultation with the supply management advisory board shall establish overall state policy for compliance by all state agencies, including educational institutions, regarding the following purchasing and material control functions:

- (a) Development of a state commodity coding system, including common stock numbers for items maintained in stores for reissue;
- (b) Determination where consolidations, closures, or additions of stores operated by state agencies and educational institutions should be initiated;
- (c) Institution of standard criteria for determination of when and where an item in the state supply system should be stocked;
- (d) Establishment of stock levels to be maintained in state stores, and formulation of standards for replenishment of stock;
- (e) Formulation of an overall distribution and redistribution system for stock items which establishes sources of supply support for all agencies, including inter-agency supply support;
- (f) Determination of what function data processing equipment, including remote terminals, shall perform in state-wide purchasing and material control for

improvement of service and promotion of economy, and the coordination of needs with the Washington state data processing authority;

(g) Standardization of records and forms used state-wide for supply system activities involving purchasing, receiving, inspecting, storing, requisitioning, and issuing functions under the provisions of RCW 43.19.510;

(h) Screening of supplies, material, and equipment excess to the requirements of one agency for overall state need before sale as surplus;

(i) Establishment of warehouse operation and storage standards to achieve uniform, effective, and economical stores operations;

(j) Establishment of time limit standards for the issuing of material in store and for processing requisitions requiring purchase;

(k) Formulation of criteria for determining when centralized rather than decentralized purchasing shall be used to obtain maximum benefit of volume buying of identical or similar items, including procurement from federal supply sources;

(l) Development of criteria for use of leased, rather than state owned, warehouse space based on relative cost and accessibility;

(m) Institution of standard criteria for purchase and placement of state furnished materials, carpeting, furniture, fixtures, and nonfixed equipment, in newly constructed or renovated state buildings;

(n) Determination of how transportation costs incurred by the state for materials, supplies, services, and equipment can be reduced by improved freight and traffic coordination and control;

(o) Establishment of a formal certification program for state employees who are authorized to perform purchasing functions as agents for the state under the provisions of chapter 43.19 RCW;

(p) Development of performance measures for the reduction of total overall expense for material, supplies, equipment, and services used each biennium by the state;

(q) Establishment of a standard system for all state organizations to record and report dollar savings and cost avoidance which are attributable to the establishment and implementation of improved purchasing and material control procedures;

(r) Development of procedures for mutual and voluntary cooperation between state agencies, including educational institutions, and political subdivisions for exchange of purchasing and material control services;

(s) Resolution of all other purchasing and material matters referred to him by a member of the advisory board which require the establishment of overall state-wide policy for effective and economical supply management.

NEW SECTION. Sec. 6. Initial policy determinations for the functions described in section 5 of this 1976 amendatory act shall be developed and published within the 1975-77 biennium by the director, after consultation with the supply management advisory board for guidance and compliance by all state agencies, including educational institutions, involved in purchasing and material control. Modifications to these initial supply management policies established during the 1975-77 biennium shall be instituted by the director, after consultation with the advisory board, in future biennia as required to maintain an efficient and up-to-date state supply management system. The director shall transmit to the governor

and the legislature in June 1976 and June 1977 a progress report which indicates the degree of accomplishment of each of these assigned duties, and which summarizes specific achievements obtained in increased effectiveness and dollar savings or cost avoidance within the overall state purchasing and material control system. The second progress report in June 1977 shall include a comprehensive supply management plan which includes the recommended organization of a state-wide purchasing and material control system and development of an orderly schedule for implementing such recommendation. In the interim between these annual progress reports, the director shall furnish periodic reports to the office of program planning and fiscal management and the legislative budget committee for review of progress being accomplished in achieving increased efficiencies and dollar savings or cost avoidance.

It is the intention of the legislature that measurable improvements in the effectiveness and economy of supply management in state government shall be achieved during the 1975-77 biennium, and each biennium thereafter. All agencies, departments, offices, divisions, boards, and commissions and educational, correctional, and other types of institutions are required to cooperate with and support the development and implementation of improved efficiency and economy in purchasing and material control. To effectuate this legislative intention, the director, in consultation with the supply management advisory board, and through the state purchasing and material control director, shall have the authority to direct and require the submittal of data from all state organizations concerning purchasing and material control matters.

NEW SECTION. Sec. 7. The provisions of section 5 of this 1976 amendatory act shall not apply to materials, supplies, and equipment purchased for resale to other than public agencies by state agencies, including educational institutions. In addition, section 5 of this 1976 amendatory act shall not apply to liquor purchased by the state for resale under the provisions of Title 66 RCW.

Sec. 8. Section 43.19.1906, chapter 8, Laws of 1965 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 (~~((of general administration through the division of purchasing))~~) and under the powers granted by RCW 43.19.190 through 43.19.1939(~~(: PROVIDED, That)~~), 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. However, formal sealed (~~((competitive))~~) bidding shall not be necessary for:

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

(2) Purchases not exceeding ((five)) 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 (~~((but in all such purchases quotations))~~): 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; and

(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.

Sec. 9. Section 43.19.1917, chapter 8, Laws of 1965 as amended by section 2, chapter 53, Laws of 1969 ex. sess. and RCW 43.19.1917 are each amended to read as follows:

~~((The director of general administration, through the division of purchasing))~~
All state agencies, including educational institutions, shall maintain a perpetual record of ownership of state owned equipment, which shall be available ((in the division of purchasing)) for the inspection and check of those officers who are charged by law with the responsibility for auditing the records and accounts of the state ((agencies)) organizations owning the equipment, or to such other special investigators and others as the governor may direct. In addition, these records shall be made available to members of the legislature, the legislative committees, and legislative staff on request.

All state agencies, including educational institutions, shall account to the division of purchasing ((at any and all times)) upon request for state equipment owned by, assigned to, or otherwise possessed by them and maintain such records as the division of purchasing deems necessary to proper accountability therefor. The division of purchasing shall publish a procedural directive for compliance by all state agencies, including educational institutions, which establishes a standard method of maintaining records for state owned equipment, including the use of standard state forms approved by the forms management center under the provisions of RCW 43.19.510. This published directive also shall include instructions for reporting to the division of purchasing all state equipment which is excess to the needs of state organizations owning such equipment. The term "state equipment" means all items of machines, tools, furniture, or furnishings other than expendable supplies and materials as defined by the division of purchasing.

Sec. 10. Section 6, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1918 are each amended to read as follows:

All of the powers and duties relating to the maintenance of inventory records of supplies, materials, equipment, and other property including state equipment as provided in RCW 43.19.1917 shall be performed ~~((with the advice, cooperation and assistance of))~~ in coordination with the director of ~~((budget))~~ program planning and fiscal management to assure establishment of standard state-wide accounting policies and regulations for such records.

Sec. 11. Section 43.19.1919, chapter 8, Laws of 1965 and RCW 43.19.1919 are each amended to read as follows:

The division of purchasing shall sell or exchange personal property belonging to the state for which the agency, office, department, or educational institution having custody thereof has no further use, at public or private sale, and cause the moneys realized from the sale of any such property to be paid into the fund from which such property was purchased or, if such fund no longer exists, into the state general fund: PROVIDED, Sales of capital assets may be made by the division of purchasing and a credit established in central stores for future purchases of capital items as provided for in RCW 43.19.190 through 43.19.1939, as now or hereafter amended: PROVIDED FURTHER, That personal property, excess to a state agency, including educational institutions, shall not be sold or disposed of prior to reasonable efforts by the division of purchasing to determine if other state agencies have a requirement for such personal property. Such determination shall follow sufficient notice to all state agencies to allow adequate time for them to make their needs known: PROVIDED, FURTHER, That this section shall not apply to personal property acquired by a state organization under federal grants and contracts if in conflict with special title provisions contained in such grants or contracts.

Sec. 12. Section 43.19.1923, chapter 8, Laws of 1965 as amended by section 5, chapter 104, Laws of 1967 ex. sess. and RCW 43.19.1923 are each amended to read as follows:

There is created within the ~~((division of purchasing of the))~~ department of general administration a revolving fund to be known as the "central stores revolving fund", which shall be used for the purchase of supplies and equipment handled or rented through central stores, and the payment of salaries, wages, and other costs incidental to the acquisition, operation, and maintenance of the central stores, and other activities connected therewith, which shall include ~~((state telephone, data processing))~~ telecommunications and utilities services. The fund shall be credited with all receipts from the rental, sale or distribution of supplies, equipment, and services rendered to the various state agencies. The moneys held in the present central stores revolving fund created by section 4, chapter 160, Laws of 1943 are hereby transferred to the central stores revolving fund created by this section: PROVIDED, That central stores, telecommunications, utilities services, and other activities within the central stores revolving fund shall be treated as separate operating entities for financial and accounting control: PROVIDED FURTHER, That financial records involving the central stores revolving fund shall be designed to provide data for achieving maximum effectiveness and economy of each individual activity within the fund.

Sec. 13. Section 43.19.1937, chapter 8, Laws of 1965 and RCW 43.19.1937 are each amended to read as follows:

No member of the state (~~(purchasing committee and no)~~) supply management advisory board or state employee whose duties performed for the state include:

- (1) Advising on or drawing specifications for supplies, equipment, commodities, or services;
- (2) Suggesting or determining vendors to be placed upon a bid list;
- (3) Drawing requisitions for supplies, equipment, commodities, or services;
- (4) Evaluating specifications or bids and suggesting or determining awards; or
- (5) Accepting the receipt of supplies, equipment, and commodities or approving the performance of services or contracts; shall accept or receive, directly or indirectly, a personal financial benefit, or accept any gift, token, membership, or service, as a result of a purchase entered into by the state, from any person, firm, or corporation engaged in the sale, lease, or rental of property, material, supplies, equipment, commodities, or services to the state of Washington.

Violation of this section shall be considered a malfeasance and may cause loss of position, and the violator shall be liable to the state upon his official bond for all damages sustained by the state. Contracts involved may be canceled at the option of the state. Penalties provided in this section are not exclusive, and shall not bar action under any other statute penalizing the same act or omission.

NEW SECTION. Sec. 14. If any provision of this 1976 amendatory 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.

NEW SECTION. Sec. 15. This 1976 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 17, 1976.

Passed the House February 13, 1976.

Approved by the Governor February 20, 1976.

Filed in Office of Secretary of State February 20, 1976.

CHAPTER 22

[Engrossed Senate Bill No. 2660]
PROPERTY TAXATION—OPEN
SPACE—NONPROFIT NATURE
CONSERVANCY ORGANIZATIONS

AN ACT Relating to open space; amending section 2, chapter 243, Laws of 1971 ex. sess. and RCW 84.34.210; amending section 3, chapter 243, Laws of 1971 ex. sess. and RCW 84.34.220; amending section 43, chapter 149, Laws of 1967 ex. sess. as amended by section 1, chapter 112, Laws of 1973 and RCW 84.36.260; and adding a new section to chapter 84.34 RCW.

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

Section 1. Section 2, chapter 243, Laws of 1971 ex. sess. and RCW 84.34.210 are each amended to read as follows: