

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2129

Chapter 10, Laws of 1993

53rd Legislature
1993 First Special Session

STATE AGENCIES--DIRECT PURCHASE OF GOODS AND SERVICES

EFFECTIVE DATE: 8/5/93

Passed by the House May 3, 1993
Yeas 92 Nays 0

BRIAN EBERSOLE
**Speaker of the
House of Representatives**

Passed by the Senate May 5, 1993
Yeas 42 Nays 0

JOEL PRITCHARD
President of the Senate

Approved May 28, 1993

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2129** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON
Chief Clerk

FILED

May 28, 1993 - 1:58 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2129

Passed Legislature - 1993 First Special Session

State of Washington 53rd Legislature 1993 Regular Session

By Representatives Mastin, Finkbeiner, Locke, Patterson, Linville,
Foreman, Forner and J. Kohl

Read first time 04/09/93. Referred to Committee on Appropriations.

1 AN ACT Relating to state agency purchasing; amending RCW 43.19.190
2 and 43.19.1905; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature recognizes the need for
5 state agencies to maximize the buying power of increasingly scarce
6 resources for the purchase of goods and services. The legislature
7 seeks to provide state agencies with the ability to purchase goods and
8 services at the lowest cost.

9 **Sec. 2.** RCW 43.19.190 and 1991 c 238 s 135 are each amended to
10 read as follows:

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

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

16 (2) Purchase all material, supplies, services, and equipment needed
17 for the support, maintenance, and use of all state institutions,
18 colleges, community colleges, technical colleges, college districts,

1 and universities, the offices of the elective state officers, the
2 supreme court, the court of appeals, the administrative and other
3 departments of state government, and the offices of all appointive
4 officers of the state: PROVIDED, That the provisions of RCW 43.19.190
5 through 43.19.1937 do not apply in any manner to the operation of the
6 state legislature except as requested by (~~said~~) the legislature:
7 PROVIDED, That any agency may purchase material, supplies, services,
8 and equipment for which the agency has notified the purchasing and
9 material control director that it is more cost-effective for the agency
10 to make the purchase directly from the vendor: PROVIDED, That primary
11 authority for the purchase of specialized equipment, instructional, and
12 research material for their own use shall rest with the colleges,
13 community colleges, and universities: PROVIDED FURTHER, That
14 universities operating hospitals and the state purchasing and material
15 control director, as the agent for state hospitals as defined in RCW
16 72.23.010, and for health care programs provided in state correctional
17 institutions as defined in RCW 72.65.010(3) and veterans' institutions
18 as defined in RCW 72.36.010 and 72.36.070, may make purchases for
19 hospital operation by participating in contracts for materials,
20 supplies, and equipment entered into by cooperative hospital service
21 organizations as defined in section 501(e) of the Internal Revenue
22 Code, or its successor: PROVIDED FURTHER, That primary authority for
23 the purchase of materials, supplies, and equipment for resale to other
24 than public agencies shall rest with the state agency concerned:
25 PROVIDED FURTHER, That authority to purchase services as included
26 herein does not apply to personal services as defined in chapter 39.29
27 RCW, unless such organization specifically requests assistance from the
28 division of purchasing in obtaining personal services and resources are
29 available within the division to provide such assistance: PROVIDED
30 FURTHER, That the authority for the purchase of insurance and bonds
31 shall rest with the risk manager under RCW 43.19.1935 as now or
32 hereafter amended;

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

35 (4) Have authority to delegate to state agencies authorization to
36 purchase or sell, which authorization shall specify restrictions as to
37 dollar amount or to specific types of material, equipment, services,
38 and supplies: PROVIDED, That acceptance of the purchasing
39 authorization by a state agency does not relieve such agency from

1 conformance with other sections of RCW 43.19.190 through 43.19.1939, as
2 now or hereafter amended, or from policies established by the director
3 after consultation with the state supply management advisory board:
4 PROVIDED FURTHER, That delegation of such authorization to a state
5 agency, including an educational institution, to purchase or sell
6 material, equipment, services, and supplies shall not be granted, or
7 otherwise continued under a previous authorization, if such agency is
8 not in substantial compliance with overall state purchasing and
9 material control policies as established herein;

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

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

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

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

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

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

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

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

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

37 **Sec. 3.** RCW 43.19.1905 and 1987 c 504 s 16 are each amended to
38 read as follows:

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

6 ~~((a))~~ (1) Development of a state commodity coding system,
7 including common stock numbers for items maintained in stores for
8 reissue;

9 ~~((b))~~ (2) Determination where consolidations, closures, or
10 additions of stores operated by state agencies and educational
11 institutions should be initiated;

12 ~~((c))~~ (3) Institution of standard criteria for determination of
13 when and where an item in the state supply system should be stocked;

14 ~~((d))~~ (4) Establishment of stock levels to be maintained in state
15 stores, and formulation of standards for replenishment of stock;

16 ~~((e))~~ (5) Formulation of an overall distribution and
17 redistribution system for stock items which establishes sources of
18 supply support for all agencies, including interagency supply support;

19 ~~((f))~~ (6) Determination of what function data processing
20 equipment, including remote terminals, shall perform in state-wide
21 purchasing and material control for improvement of service and
22 promotion of economy;

23 ~~((g))~~ (7) Standardization of records and forms used state-wide
24 for supply system activities involving purchasing, receiving,
25 inspecting, storing, requisitioning, and issuing functions under the
26 provisions of RCW 43.19.510, including a standard notification form for
27 state agencies to report cost-effective direct purchases, which shall
28 at least identify the price of the goods as available through the
29 division of purchasing, the price of the goods as available from the
30 alternative source, the total savings, and the signature of the
31 notifying agency's director or the director's designee;

32 ~~((h))~~ (8) Screening of supplies, material, and equipment excess
33 to the requirements of one agency for overall state need before sale as
34 surplus;

35 ~~((i))~~ (9) Establishment of warehouse operation and storage
36 standards to achieve uniform, effective, and economical stores
37 operations;

1 (~~(j)~~) (10) Establishment of time limit standards for the issuing
2 of material in store and for processing requisitions requiring
3 purchase;

4 (~~(k)~~) (11) Formulation of criteria for determining when
5 centralized rather than decentralized purchasing shall be used to
6 obtain maximum benefit of volume buying of identical or similar items,
7 including procurement from federal supply sources;

8 (~~(l)~~) (12) Development of criteria for use of leased, rather than
9 state owned, warehouse space based on relative cost and accessibility;

10 (~~(m)~~) (13) Institution of standard criteria for purchase and
11 placement of state furnished materials, carpeting, furniture, fixtures,
12 and nonfixed equipment, in newly constructed or renovated state
13 buildings;

14 (~~(n)~~) (14) Determination of how transportation costs incurred by
15 the state for materials, supplies, services, and equipment can be
16 reduced by improved freight and traffic coordination and control;

17 (~~(o)~~) (15) Establishment of a formal certification program for
18 state employees who are authorized to perform purchasing functions as
19 agents for the state under the provisions of chapter 43.19 RCW;

20 (~~(p)~~) (16) Development of performance measures for the reduction
21 of total overall expense for material, supplies, equipment, and
22 services used each biennium by the state;

23 (~~(q)~~) (17) Establishment of a standard system for all state
24 organizations to record and report dollar savings and cost avoidance
25 which are attributable to the establishment and implementation of
26 improved purchasing and material control procedures;

27 (~~(r)~~) (18) Development of procedures for mutual and voluntary
28 cooperation between state agencies, including educational institutions,
29 and political subdivisions for exchange of purchasing and material
30 control services;

31 (~~(s)~~) (19) Resolution of all other purchasing and material
32 matters referred to him by a member of the advisory board which require
33 the establishment of overall state-wide policy for effective and
34 economical supply management;

35 (~~(t)~~) (20) Development of guidelines and criteria for the
36 purchase of vehicles, alternate vehicle fuels and systems, equipment,
37 and materials that reduce overall energy-related costs and energy use
38 by the state, including the requirement that new passenger vehicles
39 purchased by the state meet the minimum standards for passenger

1 automobile fuel economy established by the United States secretary of
2 transportation pursuant to the energy policy and conservation act (15
3 U.S.C. Sec. 2002).

4 NEW SECTION. **Sec. 4.** The department of general administration
5 shall forward copies of notification forms required under RCW
6 43.19.1905(7) to the office of financial management. By September 1,
7 1994, the department of general administration shall report to the
8 house of representatives fiscal committees and senate ways and means
9 committee on the volume and type of purchases made and the aggregate
10 savings identified by state agencies making purchases as authorized by
11 this act for fiscal year 1994.

Passed the House May 3, 1993.

Passed the Senate May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.