

# SENATE BILL REPORT

## SB 5047

---

As Reported By Senate Committee On:  
Government Operations, January 11, 1996

**Title:** An act relating to state procurement practices.

**Brief Description:** Raising the dollar threshold for state purchases and contracts requiring formal sealed bids.

**Sponsors:** Senators Haugen, Winsley and Pelz.

**Brief History:**

**Committee Activity:** Government Operations: 2/9/95, 3/1/95 [DPS]; 1/11/96 [DPS].

---

### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** That Substitute Senate Bill No. 5047 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Goings, Hale, Heavey, McCaslin and Winsley.

**Staff:** Diane Smith (786-7410)

**Background:** The Department of General Administration has charge and supervision of state purchasing and material control as implemented by state agencies, including educational institutions. The director of General Administration has the authority to delegate to state agencies the authorization to buy or sell within specific dollar amounts and for specific types of goods and services.

As a general rule, all purchases and sales are made through a formal sealed bidding procedure based on competitive bids.

Formal sealed bidding is not required for certain purchases. The dollar amount of these exempt purchases is not to exceed \$35,000.

**Summary of Substitute Bill:** The dollar amount of purchases for which the formal, sealed bidding procedure is not required is raised to \$100,000. Quotations from \$35,000 to \$100,000 must be secured from at least five vendors.

**Substitute Bill Compared to Original Bill:** The requirement of five quotations for bids ranging from \$35,000 to \$100,000 is new language designed to expand vendor access to the contracts in this classification.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This is a streamlining and efficiency measure which will save money for the state, decrease the response time to bidders by two weeks and reduce up-front costs which will benefit small contractors most. Approximately 140 contracts would become exempt from the formal, sealed bid process.

**Testimony Against:** Small business is dropping out of the process. With only five bidders participating, many specialty contractors will have to forgo the contracts for which they are called because of inappropriateness. Likewise, they may miss opportunities to bid on other contracts. There is a concern with the objectivity of the process.

**Testified:** Pat Kohler, GA (pro); Gary Smith, Independent Business Association; Carolyn Logue, NFIB.