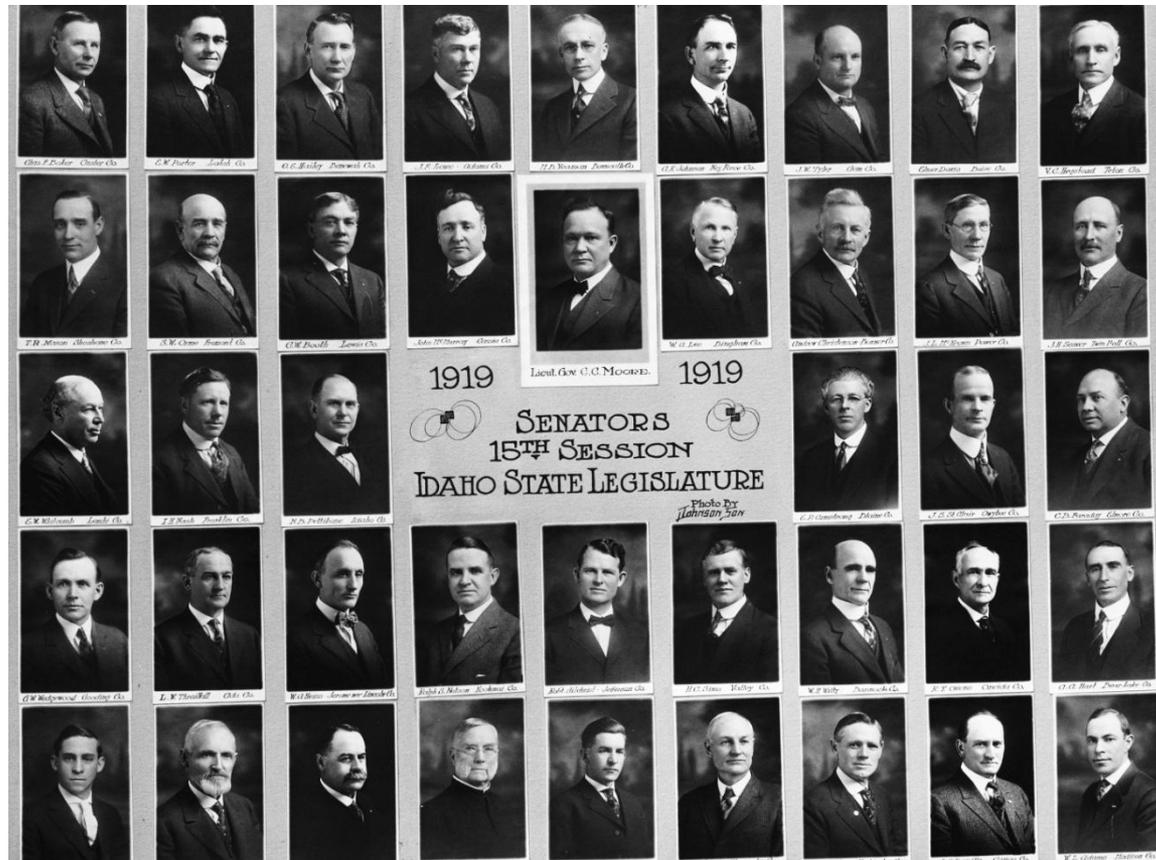


YE OLDE LEGISLATIVE HISTORY  
OF PURCHASING LAWS

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LEGISLATIVE LIBRARIAN

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## First Centralized Purchasing in 1919

Prior to 1919, state agencies had the power to purchase necessities, but in 1919, the Idaho Legislature acted to create a central purchasing agency in the Department of Public Works.

**DUTIES OF DEPARTMENT OF PUBLIC WORKS REGARDING  
PURCHASE OF SUPPLIES.**

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**§ 367. Duties of department of public works.** The department of public works (hereinafter called ~~the department~~) shall have power:

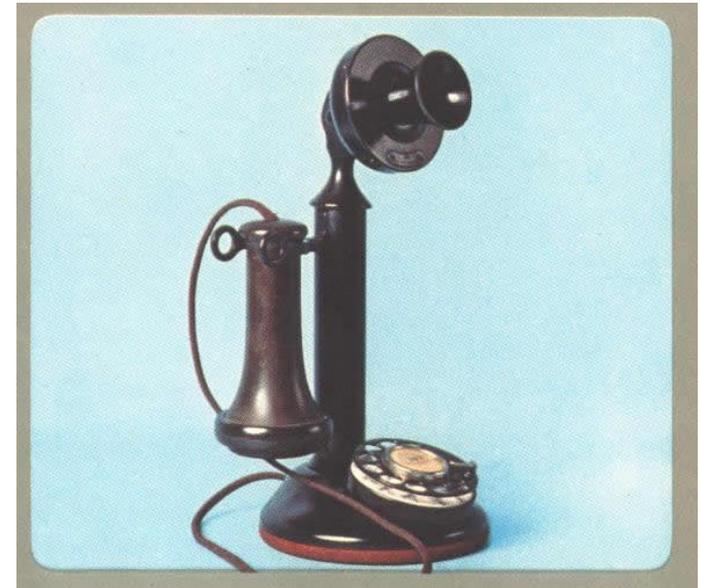
1. To make contracts for and superintend the telegraph and telephone service for the several state departments.
2. To purchase and supply all fuel, light, water and other like office and building services for the several state departments.
3. To procure and supply all furniture, general office equipment and general office supplies (other than blanks, etc., distributed through the state auditor's office) needed by the several state departments.
4. To procure and supply all clothing, instruments and apparatus, subsistence and provisions with the exception of fresh fruits and vegetables (other than potatoes) for the charitable, educational, penal and reformatory institutions of the state.
5. To procure and supply all cots, beds, bedding, general room and cell equipment, table, kitchen and laundry equipment, agricultural implements, harness, stable and garage supplies, household supplies, periodicals, machinery and tools, medicines and medical supplies, plumbing, light and engine supplies, wagons and other vehicles and workshop supplies needed by the various charitable, educational, penal and reformatory institutions of the state.
6. To purchase and supply all necessary tools, machinery, supplies and materials to be used by the state in or about constructing or maintaining state highways.
7. To purchase and supply any other supplies and equipment not

## **Powers of the Dept of Public Works**

The Public Works Dept was given broad purchasing power for "the several state departments" and for "charitable, educational, penal and reformatory institutions of the state."

# Key features of the first centralized purchasing system

- Broad purchasing authority covered such diverse services and goods such as telegraph and telephone service; utilities; furniture; office equipment; office supplies; even including materials needed for the construction of state highways.
- Once purchased, these items were subject to inspection by the Public Works Dept at any time, and interference with such inspection was a misdemeanor.
- The Public Works Dept was required to keep a detailed inventory of all state property owned by all state departments.
- State departments submitted their supply requests to the Public Works Dept, which would then publish a notice in newspapers soliciting bids. Hopeful bidders had to submit a certified check of 5% along with their bid, in order to secure faithful performance.
- Exceptions to the bidding process were made for fresh fruits and vegetables and other “minor purchases” or in urgent cases.
- Bid records were to be open to the public and preserved during the duration of the contract term.
- Contracts made in violation of law were void and any state money paid out must be repaid to the state.





In 1927, the Idaho Legislature created the position of State Purchasing Agent, to assume the Public Works Dept's purchasing duties.

# CHAPTER 139

(Senate Bill No. 89)

## AN ACT

PROVIDING FOR THE APPOINTMENT OF A STATE PURCHASING AGENT, AND TRANSFERRING TO HIM FROM THE DEPARTMENT OF PUBLIC WORKS ALL POWERS AND DUTIES IN CONNECTION WITH THE PURCHASE OF SUPPLIES OF THE STATE, ITS INSTITUTIONS, AND DEPARTMENTS.

*Be It Enacted by the Legislature of the State of Idaho:*

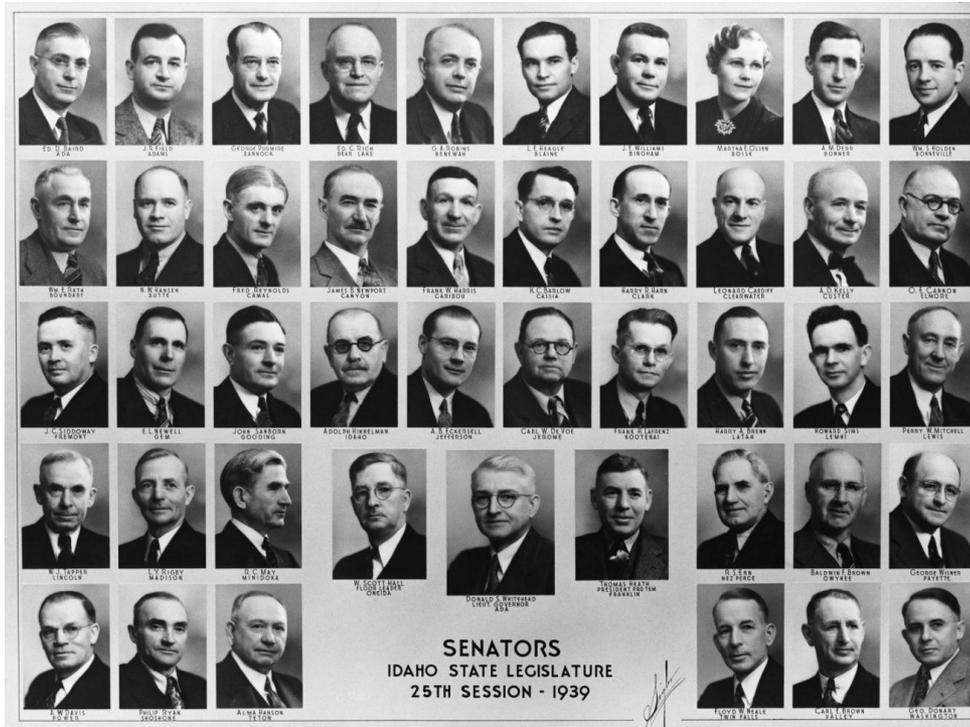
SECTION 1. The Governor of this State is hereby authorized and directed to appoint a State Purchasing Agent who may be removed by the Governor in his discretion. He shall receive an annual salary of \$3000.00, payable in equal monthly instalments, and shall give an official bond with surety to be approved by the Governor in such principal sum as shall be fixed by the Governor, conditioned for the faithful performance of his duties.

All the powers conferred upon, and the duties assigned to, the department of public works by Sections 367 to 380, inclusive, of the Idaho Compiled Statutes are hereby removed and transferred from said department of public works and conferred upon and assigned to the State Purchasing Agent, and he shall exercise all the powers, and perform all the duties created and prescribed by said sections in the manner therein set forth.

Approved March 3, 1927.

The State Purchasing Agent was to be appointed by the Governor.



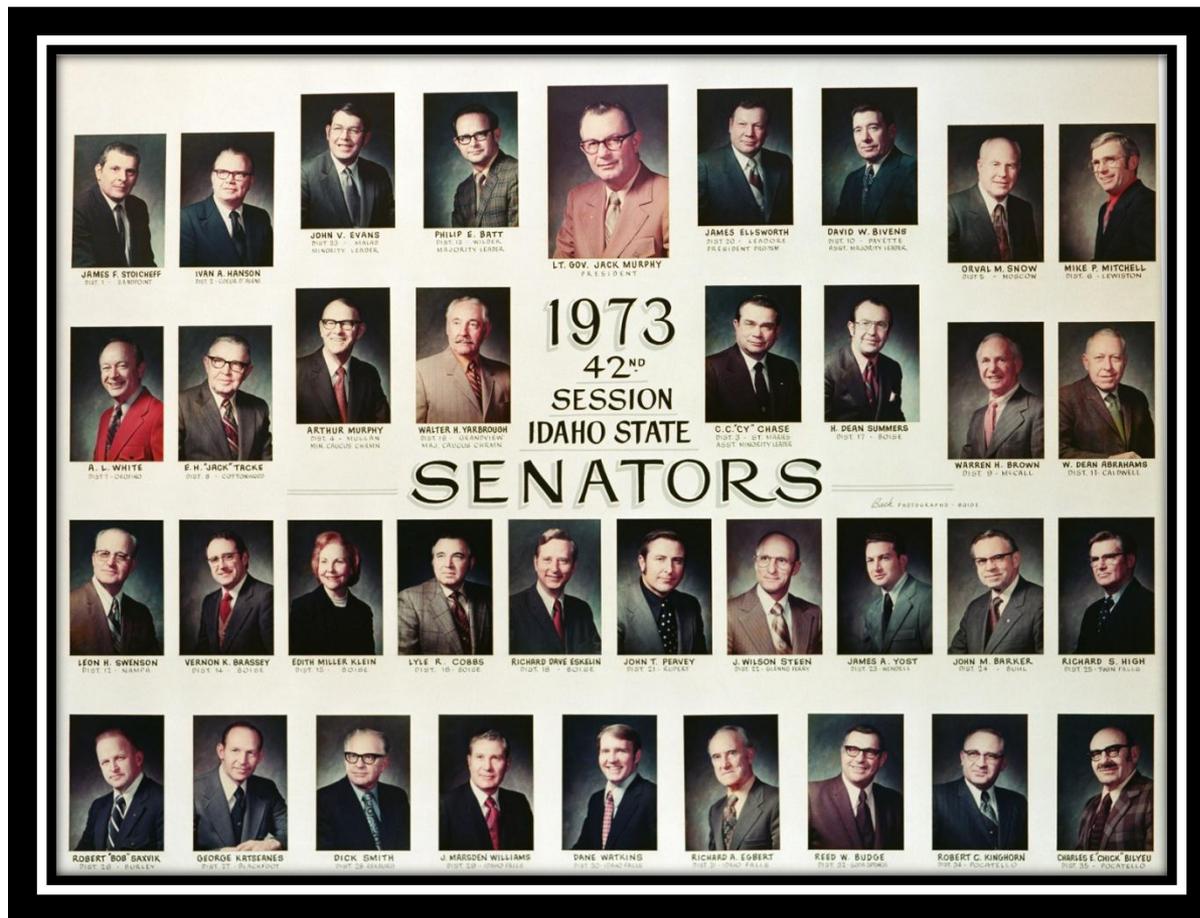


In 1939, the Idaho Legislature amended the state purchasing laws to include the “officers, departments, bureaus and institutions of the State.” The State Purchasing Agent was provided with a deputy agent position. The Legislature also created an advisory board consisting of the governor and two other members selected by the governor. Although the board was termed “advisory,” it had final decision power.



A revolving fund was also created, so that the State Purchasing Agent could have on hand a steady supply of commonly needed items. Between 1941 and 1972, the purchasing laws received minor amendments. These included increasing the amount of the revolving fund, authorization to acquire federal surplus property without putting out bid requests, special provisions for printing and engraving work, and rules to obtain discounts for bulk purchases or for prompt payment.





**1974!**

**The year of state government reorganization**

The position of State Purchasing Agent was abolished. The function of centralized purchasing was placed with the "Division of Purchasing" within the Administration Department.



## **1974 Purchasing Laws Interim Committee**

In 1974, Rep. Steve Antone (R) led a legislative interim study committee on the state's purchasing laws. The committee met four times between June and September 1974, with a drafting subcommittee meeting on two additional occasions. The committee heard from the acquiring agencies, the state purchasing agent, and from vendors.



## 1975 HB 52

The interim committee rewrote the state purchasing laws and presented them to the 1975 Legislature.

The only real opposition to the bill came from two constitutional officers, State Treasurer Marjorie Moon and State Auditor J.R. Williams. They felt that it would violate the separation of powers doctrine if they were made to use the Purchasing Division. They requested an exemption, so that any use by them of the Purchasing Division's services would be optional. The Legislature readily agreed to the amendment. . . . But. . .



SENATE AMENDMENTS TO H 52, AS AMENDED  
AMENDMENTS TO SECTION 2

On page 2 of the engrossed bill, in line 41, after the word "government", and before the ".", insert: ", and excluding the governor, the lieutenant governor, the secretary of state, the state auditor, the state treasurer, the attorney general, and the superintendent of public instruction".

On page 6 of the engrossed bill, following line 31 insert:

"Elected state officers excluded from the definition of "agency" in section 67-5716, Idaho Code, shall file a statement annually of the purchases made in behalf of those offices listing the purchases made during the fiscal year and the costs thereof."

BATT, Chairman

*On motion by Senator Batt seconded by Senator Merr.*

All of the constitutional officers were exempted from the purchasing laws generally. However, since this meant that the Purchasing Division would not be able to inspect and inventory their property, a new provision was inserted requiring an annual report of purchases by the constitutional officers.

# Key New Features of the 1975 Purchasing Laws

- Exemptions for constitutional officers
- Vendor notice changed from newspaper publication to direct notice to registered vendors
- New appeals process for losing bidders
- Contracts over one year in duration
- Purchasing Div authority to file complaint against noncompliant agencies
- New timeline to ensure prompt payment to vendors

## 1976 - 2015

There have been miscellaneous additions or changes since 2015, but most were minor changes. Changes were made to the vendor complaint/appeal process in 1978, 1986, 1988, 1994, and 2001. A few of the more interesting amendments were:

- 1991 HB 231 repealed the requirement that constitutional officers file annual purchasing reports
- 1991 HB 231 also repealed the Division's authority to run a state car pool system
- 1993 HB 239 authorized a preference for bidders with a "significant Idaho economic presence."
- 2000 HB 572 authorized a preference for recycled paper
- 2010 HB 688 clarified purchasing laws as applied to higher education institutions



Thank you! Questions?

