

1 HB545
2 118133-1
3 By Representatives Martin and Hill
4 RFD: Government Operations
5 First Read: 11-FEB-10

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8 SYNOPSIS: Under existing law, competitive bidding is
9 required on contracts involving \$7,500 or more made
10 by or on behalf of certain state departments,
11 boards, bureaus, commissions, committees, and
12 institutions.

13 This bill would increase the minimum amount
14 for which competitive bidding is required from
15 \$7,500 to \$15,000.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT
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21 To amend Section 41-16-20, Code of Alabama 1975, as
22 last amended by Act 2009-763, 2009 Regular Session (Acts 2009,
23 p. 2310), relating to competitive bidding on contracts of
24 certain state departments, boards, bureaus, commissions,
25 committees, and institutions to increase the minimum amount of
26 contracts subject to competitive bid from \$7,500 to \$15,000.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 41-16-20 of the Code of Alabama
2 1975, as last amended by Act 2009-763, 2009 Regular Session
3 (Acts 2009, p. 2310), is amended to read as follows:

4 "§41-16-20.

5 "(a) With the exception of contracts for public
6 works whose competitive bidding requirements are governed
7 exclusively by Title 39, all contracts of whatever nature for
8 labor, services, work, or for the purchase or lease of
9 materials, equipment, supplies, other personal property or
10 other nonprofessional services, involving ~~seven thousand five~~
11 ~~hundred dollars (\$7,500)~~ fifteen thousand dollars (\$15,000) or
12 more, made by or on behalf of any state department, board,
13 bureau, commission, committee, institution, corporation,
14 authority, or office shall, except as otherwise provided in
15 this article, be let by free and open competitive bidding, on
16 sealed bids, to the lowest responsible bidder.

17 "(b) A "preferred vendor" shall be a person, firm,
18 or corporation which is granted preference priority according
19 to the following:

20 "(1) PRIORITY #1. Produces or manufactures the
21 product within the state.

22 "(2) PRIORITY #2. Has an assembly plant or
23 distribution facility for the product within the state.

24 "(3) PRIORITY #3. Is organized for business under
25 the applicable laws of the state as a corporation,
26 partnership, or professional association and has maintained at
27 least one retail outlet or service center for the product or

1 service within the state for not less than one year prior to
2 the deadline date for the competitive bid.

3 "(c) In the event a bid is received for the product
4 or service from a person, firm, or corporation deemed to be a
5 responsible bidder and a preferred vendor where any state
6 department, board, bureau, commission, committee, institution,
7 corporation, authority, or office is the awarding authority
8 and the bid is no more than five percent greater than the bid
9 of the lowest responsible bidder, the awarding authority may
10 award the contract to the preferred vendor."

11 Section 2. This act shall become effective on the
12 first day of the third month following its passage and
13 approval by the Governor, or its otherwise becoming law.