

1 HB411
2 135269-1
3 By Representative Merrill
4 RFD: County and Municipal Government
5 First Read: 07-MAR-13

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8 SYNOPSIS: Under the existing competitive bid law for
9 personal property, a county or municipal awarding
10 authority may establish a local preference zone and
11 may award a contract to a resident bidder in the
12 preference zone when the bid of the resident bidder
13 is not more than three percent greater than the
14 lowest bid.

15 This bill would provide that a county or
16 municipal awarding authority may award the bid to a
17 resident bidder in the preference zone when the bid
18 is not more than five percent greater than the
19 lowest bid.

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21 A BILL
22 TO BE ENTITLED
23 AN ACT
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25 To amend Section 41-16-50 of the Code of Alabama
26 1975, relating to competitive bids for the purchase of
27 personal property by county and municipal awarding

1 authorities; to increase the percentage over the lowest bid
2 when a county or municipal awarding authority may award a
3 contract to a resident bidder in a local preference zone.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 41-16-50 of the Code of Alabama
6 1975, is amended to read as follows:

7 "§41-16-50.

8 "(a) With the exception of contracts for public
9 works whose competitive bidding requirements are governed
10 exclusively by Title 39, all expenditure of funds of whatever
11 nature for labor, services, work, or for the purchase of
12 materials, equipment, supplies, or other personal property
13 involving fifteen thousand dollars (\$15,000) or more, and the
14 lease of materials, equipment, supplies, or other personal
15 property where the lessee is, or becomes legally and
16 contractually, bound under the terms of the lease, to pay a
17 total amount of fifteen thousand dollars (\$15,000) or more,
18 made by or on behalf of any state trade school, state junior
19 college, state college, or university under the supervision
20 and control of the State Board of Education, the district
21 boards of education of independent school districts, the
22 county commissions, the governing bodies of the municipalities
23 of the state, and the governing boards of instrumentalities of
24 counties and municipalities, including waterworks boards,
25 sewer boards, gas boards, and other like utility boards and
26 commissions, except as hereinafter provided, shall be made
27 under contractual agreement entered into by free and open

1 competitive bidding, on sealed bids, to the lowest responsible
2 bidder. Prior to advertising for bids for an item of personal
3 property, where a county, a municipality, or an
4 instrumentality thereof is the awarding authority, the
5 awarding authority may establish a local preference zone
6 consisting of either the legal boundaries or jurisdiction of
7 the awarding authority, or the boundaries of the county in
8 which the awarding authority is located, or the boundaries of
9 the Core Based Statistical Area (CBSA) in which the awarding
10 authority is located. If no such action is taken by the
11 awarding authority, the boundaries of the local preference
12 zone shall be deemed to be the same as the legal boundaries or
13 jurisdiction of the awarding authority. In the event a bid is
14 received for an item of personal property to be purchased or
15 contracted for from a person, firm, or corporation deemed to
16 be a responsible bidder, having a place of business within the
17 local preference zone where the county, a municipality, or an
18 instrumentality thereof is the awarding authority, and the bid
19 is no more than ~~three~~ five percent greater than the bid of the
20 lowest responsible bidder, the awarding authority may award
21 the contract to the resident responsible bidder. In the event
22 only one bidder responds to the invitation to bid, the
23 awarding authority may reject the bid and negotiate the
24 purchase or contract, providing the negotiated price is lower
25 than the bid price.

26 "(b) The governing bodies of two or more contracting
27 agencies, as enumerated in subsection (a), or the governing

1 bodies of two or more counties, or the governing bodies of two
2 or more city or county boards of education, may provide, by
3 joint agreement, for the purchase of labor, services, or work,
4 or for the purchase or lease of materials, equipment,
5 supplies, or other personal property for use by their
6 respective agencies. The agreement shall be entered into by
7 similar ordinances, in the case of municipalities, or
8 resolutions, in the case of other contracting agencies,
9 adopted by each of the participating governing bodies, which
10 shall set forth the categories of labor, services, or work, or
11 for the purchase or lease of materials, equipment, supplies,
12 or other personal property to be purchased, the manner of
13 advertising for bids and the awarding of contracts, the method
14 of payment by each participating contracting agency, and other
15 matters deemed necessary to carry out the purposes of the
16 agreement. Each contracting agency's share of expenditures for
17 purchases under any agreement shall be appropriated and paid
18 in the manner set forth in the agreement and in the same
19 manner as for other expenses of the contracting agency. The
20 contracting agencies entering into a joint agreement, as
21 herein permitted, may designate a joint purchasing or bidding
22 agent, and the agent shall comply with this article.

23 Purchases, contracts, or agreements made pursuant to a joint
24 purchasing or bidding agreement shall be subject to all terms
25 and conditions of this article.

26 "In the event that utility services are no longer
27 exempt from competitive bidding under this article,

1 non-adjoining counties may not purchase utility services by
2 joint agreement under authority granted by this subsection.

3 "(c) The awarding authority may require bidders to
4 furnish a bid bond for a particular bid solicitation if the
5 bonding requirement applies to all bidders, is included in the
6 written bid specifications, and if bonding is available for
7 the services, equipment, or materials."

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