

1 HB324
2 157010-1
3 By Representative Hubbard (J)
4 RFD: State Government
5 First Read: 21-JAN-14

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8 SYNOPSIS: Under existing law, certain vendors are
9 given preference in the awarding of public
10 contracts required to be competitively bid.

11 This bill would provide that if a bid of a
12 preferred vendor is no more than five percent
13 greater than the lowest bid of a responsible
14 bidder, the awarding authority shall award the
15 contract to the preferred vendor.

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,
22 relating to contracts for which competitive bidding is
23 required; to provide that if a bid of a preferred vendor is no
24 more than five percent greater than the lowest bid of a
25 responsible bidder, the awarding authority shall award the
26 contract to the preferred vendor.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 41-16-20, Code of Alabama 1975,
2 is amended to read as follows:

3 "§41-16-20.

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

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

18 "(1) PRIORITY #1. Produces or manufactures the
19 product within the state.

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

22 "(3) PRIORITY #3. Is organized for business under
23 the applicable laws of the state as a corporation,
24 partnership, or professional association and has maintained at
25 least one retail outlet or service center for the product or
26 service within the state for not less than one year prior to
27 the deadline date for the competitive bid.

1 "(c) In the event a bid is received for the product
2 or service from a person, firm, or corporation deemed to be a
3 responsible bidder and a preferred vendor where any state
4 higher education institution, department, board, bureau,
5 commission, committee, institution, corporation, authority, or
6 office is the awarding authority and the bid is no more than
7 five percent greater than the bid of the lowest responsible
8 bidder, the awarding authority ~~may~~ shall award the contract to
9 the preferred vendor. If the bids of two or more preferred
10 vendors are no more than five percent greater than the bid of
11 the lowest responsible bidder, the awarding authority shall
12 award the contract to the preferred vendor who submits the
13 lowest bid."

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