

1 SB79
2 156105-1
3 By Senators Brewbaker and Marsh
4 RFD: Fiscal Responsibility and Accountability
5 First Read: 14-JAN-14
6 PFD: 01/08/2014

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8 SYNOPSIS: Under existing law, a preferred vendor that
9 produces or manufactures products in this state,
10 has an assembly plant or distribution facility in
11 this state, or, in addition to other requirements,
12 is organized for business under the laws of this
13 state may be awarded the competitively bid public
14 contract if the bid is no more than five percent
15 greater than the bid of the lowest responsible
16 bidder.

17 This bill would make the five-percent
18 preference for preferred vendors mandatory.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT

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24 To amend Section 41-16-20, Code of Alabama 1975,
25 relating to public contracts, to require awarding authorities
26 accepting competitive bids or proposals to provide a

1 preference of five percent to resident business entities
2 meeting certain criteria.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

6 "§41-16-20.

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

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

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

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

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

1 least one retail outlet or service center for the product or
2 service within the state for not less than one year prior to
3 the deadline date for the competitive bid.

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

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