

1 HB284  
2 114591-1  
3 By Representative McClammy  
4 RFD: Government Operations  
5 First Read: 14-JAN-10

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

11 This bill would give preferred vendor status  
12 under the competitive bid laws to each small  
13 business certified under the federal HUBZone  
14 program when a state contract is awarded.

15 This bill would also provide for each small  
16 business certified under the HUBZone program to  
17 receive from the state any benefit which the  
18 federal government offers to such business if the  
19 state grants such a benefit to other businesses.

20  
21 A BILL

22 TO BE ENTITLED

23 AN ACT

24  
25 To amend Section 41-16-20, Code of Alabama 1975, as  
26 amended by Act No. 2009-763, SB556, 2009 Regular Session, to  
27 provide further for certain preferred vendors under the

1 competitive bid law requirements and to provide for each small  
2 business certified under the HUBZone program to receive from  
3 the state any benefit which the federal government offers to  
4 such business if the state grants such a benefit to other  
5 businesses.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Section 41-16-20, Code of Alabama 1975,  
8 as amended by Act No. 2009-763, SB556, 2009 Regular Session,  
9 is amended to read as follows:

10 "§41-16-20.

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

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

26 "(1) PRIORITY #1. Produces or manufactures the  
27 product within the state.

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

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

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

17           "(d) In addition to the aforementioned preferred  
18 vendors, each small business certified under the federal  
19 HUBZone program shall be a preferred vendor with #1 preference  
20 priority status on all contracts awarded by the state for  
21 state agencies and departments.

22           Section 2. Each small business certified under the  
23 HUBZone program to receive from the state any benefit which  
24 the federal government offers to such business if the state  
25 grants such a benefit to other businesses.

1                   Section 3. This act shall become effective on the  
2 first day of the third month following its passage and  
3 approval by the Governor, or its otherwise becoming law.