

1 HB153
2 172901-1
3 By Representatives Ford, Lindsey, Melton, Clarke, Drummond,
4 Warren and Lawrence
5 RFD: State Government
6 First Read: 09-FEB-16

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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

23
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. This act shall be known and may be cited
5 as the Made in Alabama Act of 2016.

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

8 "§41-16-20.

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

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

23 "(1) PRIORITY #1. Produces or manufactures the
24 product within the state.

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

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

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

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