

1 HB320
2 136775-1
3 By Representative McClammy
4 RFD: State Government
5 First Read: 14-FEB-12

2
3
4
5
6
7
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 of the Code of Alabama
26 1975, to provide further for certain preferred vendors under
27 the competitive bid law requirements and to provide for each

1 small business certified under the HUBZone program to receive
2 from the state any benefit which the federal government offers
3 to such business if the state grants such a benefit to other
4 businesses.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Section 41-16-20 of the Code of Alabama
7 1975, 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 seven thousand five
15 hundred dollars (\$7,500) or more, made by or on behalf of any
16 state department, board, bureau, commission, committee,
17 institution, corporation, authority, or office shall, except
18 as otherwise provided in this article, be let by free and open
19 competitive bidding, on sealed bids, to the lowest responsible
20 bidder.

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

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

26 "(2) PRIORITY #2. Has an assembly plant or
27 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 department, board, bureau, commission, committee, institution,
11 corporation, authority, or office is the awarding authority
12 and the bid is no more than five percent greater than the bid
13 of the lowest responsible bidder, the awarding authority may
14 award the contract to the preferred vendor.

15 "(d) In addition to the aforementioned preferred
16 vendors, each small business certified under the federal
17 HUBZone program shall be a preferred vendor with #1 preference
18 priority status on all contracts awarded by the state for
19 state agencies and departments. A full and open competition
20 contract may be awarded if the HUBZone small business is not
21 more than five percent higher."

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.