

1 SB59
2 154427-3
3 By Senators Orr, Glover, Waggoner, Marsh, Reed, Scofield,
4 Fielding, Hightower, Allen, Dial, Pittman and Beason
5 RFD: Finance and Taxation General Fund
6 First Read: 14-JAN-14
7 PFD: 12/18/2013

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To amend Section 41-4-110, Code of Alabama 1975,
12 relating to the Division of Purchasing in the Department of
13 Finance; to allow state agencies to purchase personal property
14 from vendors not on statewide contract, if the purchase price
15 is at least ten percent less than the statewide contract
16 price.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Section 41-4-110 of the Code of Alabama
19 1975 is amended to read as follows:

20 "§41-4-110.

21 (a) There shall be in the Department of Finance the
22 Division of Purchasing. The functions and duties of the
23 Division of Purchasing shall be as follows:

24 (1) To purchase all personal property and
25 nonprofessional services, except alcoholic beverages, which
26 shall be purchased by the Alcoholic Beverage Control Board and
27 except as otherwise provided by law, for the state and each

1 department, board, bureau, commission, agency, office and
2 institution thereof, except as provided in subsection (e).

3 (2) To make and supervise the execution of all
4 contracts and leases for the use or acquisition of any
5 personal property and nonprofessional services unless
6 otherwise provided by law.

7 (3) To fix standards of quality and quantity and to
8 develop standard specifications for all personal property and
9 nonprofessional services acquired by the state or any
10 department, board, bureau, commission, agency, office or
11 institution thereof.

12 (4) To maintain records as to prices and sources of
13 supply of such personal property and nonprofessional services,
14 such records to be open to the inspection of any state,
15 county, municipal, or other public officer or employee charged
16 with the duty of acquiring any such property and
17 nonprofessional services or article for his or her department,
18 board, bureau, commission, agency, office, institution,
19 county, municipal corporation, or local public body.

20 (5) To manage, supervise, and control all printing
21 and binding for the state and for each department, board,
22 bureau, commission, agency, office, and institution thereof
23 and the distribution of all printed matter and to make and
24 supervise the execution of all contracts with respect thereto,
25 unless otherwise provided by law.

26 (6) To require the periodic reporting of all
27 purchases of furniture, fixtures, supplies, material,

1 equipment, and other personal property, except printing, and
2 all contracts and leases for the use or acquisition thereof by
3 or for counties, the purchase, contract or lease price of
4 which is \$100.00 or more, and to require information in
5 connection therewith, to prescribe forms and fix the time for
6 submitting such reports, and, when requested by any county,
7 municipal corporation, and other local public body (including
8 any board of education) to make such purchases, contracts, or
9 leases for it. It shall be the duty of every county to make
10 such report on forms furnished by the Department of Finance,
11 whenever requested so to do, but not more than once every 30
12 days.

13 (7) To perform such other functions and duties of
14 the Department of Finance as may from time to time be assigned
15 by the Director of Finance.

16 (b) As long as the constitution so requires, all
17 stationery, printing, paper, and fuel used in the legislative
18 and other departments of the government shall be furnished,
19 and the printing, binding, and distribution of the laws,
20 journals, departmental reports, and all other printing,
21 binding and repairing and furnishing the halls and rooms used
22 for the meetings of the Legislature and its committees shall
23 be performed under contract, to be given to the lowest
24 responsible bidder below a maximum price, under such
25 regulations as have been or may be prescribed by law and as
26 may be promulgated by the Director of Finance. No member or
27 officer of any department of the government shall be in any

1 way interested in such contracts, and all such contracts shall
2 be subject to the approval of the Governor, the Auditor and
3 the Treasurer. All contracts not required to be approved by a
4 named officer or officers by the Constitution shall be subject
5 to the approval of the Director of Finance, who may, however,
6 provide for the automatic approval thereof by compliance with
7 the general rules or regulations promulgated by him or her.

8 (c) The Purchasing Agent is further authorized to
9 establish and maintain a system for the purchase of personal
10 property and nonprofessional services by state departments,
11 agencies, boards, and institutions that conduct their
12 purchasing activities through the Division of Purchasing,
13 through the utilization of approved credit cards. The
14 Purchasing Agent shall establish by administrative rule a
15 process for the competitive solicitation of credit card
16 providers. The state Comptroller and the Purchasing Agent
17 shall promulgate fiscal procedures governing the payment of
18 charges incurred by credit card users and the utilization of
19 credit cards. The use of approved credit cards shall be
20 established by the state Comptroller and the State Purchasing
21 Agent, with the approval of the State Finance Director, and be
22 published through the Alabama fiscal procedures, in which each
23 purchase made using approved credit cards is required to have
24 prior approval by the department head or his or her designee
25 and a record of such purchases and approvals is to be
26 maintained. The Purchasing Agent may select the provider or
27 providers offering the highest fees to the division for the

1 use of its credit card or credit cards. Fees received by the
2 division for the use of credit cards shall be placed in a
3 special fund entitled the State Procurement Fund in the State
4 Treasury for the use of the division and such funds shall be
5 appropriated, budgeted, and allotted in accordance with
6 Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to
7 41-19-12, inclusive, and only in amounts stipulated in general
8 appropriations bills and other appropriation bills. Approved
9 credit cards may be issued to requisitioning agencies upon the
10 recommendation of the Purchasing Agent and the approval of the
11 Director of Finance. Approved credit cards will be assigned to
12 the department and will be in limited number. Such credit
13 cards may be utilized to purchase items of personal property
14 and nonprofessional services, and shall not exceed the
15 limitations set forth in subsection (a) of Section 41-16-24.
16 The director of the governmental entity utilizing credit cards
17 is responsible for the proper use of credit cards assigned to
18 his or her agency, in accordance with rules established by
19 Alabama fiscal procedures. The Purchasing Agent may collect
20 any credit card from any agency at any time due to improper
21 use. The Purchasing Agent shall submit an annual report and
22 accounting regarding the use of credit cards by each
23 governmental entity to the Director of Finance and the
24 Governor.

25 (d) The Division of Purchasing is authorized to
26 charge a biannual registration fee to vendors desiring to
27 register with the division to receive invitations-to-bid for

1 any goods or services solicited by the division and to charge
2 departments, boards, bureaus, commissions, agencies, offices,
3 and institutions for their proportionate share of operating
4 costs of the division. Any fee must be set by administrative
5 rule upon the approval of the Director of Finance. Any fees
6 collected under this provision shall be deposited in the State
7 Treasury to the credit of the State Procurement Fund and shall
8 be appropriated, budgeted, and allotted in accordance with
9 Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to
10 41-19-12, inclusive, and only in amounts stipulated in general
11 appropriations bills and other appropriation bills.

12 (e) Notwithstanding any law to the contrary, state
13 departments, agencies, boards, and institutions may purchase
14 personal property from any vendor that offers the item at a
15 price at least ten percent below the price established on a
16 statewide contract by the Division of Purchasing for the same
17 item, provided that each acquisition of personal property
18 pursuant to this subsection, whether for a single item or
19 multiple items, does not exceed fifteen thousand dollars
20 (\$15,000). This subsection shall not apply to construction or
21 road-building materials, as identified by the Purchasing
22 Agent. Any purchase that would be directly connected to any IT
23 network used by the state shall require prior approval by the
24 Secretary of Information Technology.

25 Any acquisition of personal property pursuant to
26 this subsection shall be purchased solely from vendors
27 physically located within the state, if the purchaser is to

1 take possession of the purchased goods at the vendor's
2 physical location.

3 The price of any goods or services purchased
4 pursuant to this subsection shall be the market price readily
5 available to the public at large.

6 Any acquisition of personal property pursuant to
7 this subsection is not exempt from the supervision and
8 administration of the Division of Purchasing.

9 Section 2. This act is effective immediately
10 following its passage and approval by the Governor, or its
11 otherwise becoming law.

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3 Senate

4 Read for the first time and referred to the Senate
5 committee on Finance and Taxation General Fund ... 14-JAN-14
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7 Read for the second time and placed on the calen-
8 dar 1 amendment..... 15-JAN-14
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10 Read for the third time and passed as amended 06-FEB-14

11 Yeas 29
12 Nays 1

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15 Patrick Harris
16 Secretary
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