

1 SB225  
2 127387-1  
3 By Senator Dial  
4 RFD: Fiscal Responsibility and Accountability  
5 First Read: 22-MAR-11

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: Under existing law, competitive bidding is  
9 required on contracts involving \$7,500 or more made  
10 by or on behalf of higher education institutions.

11 This bill would increase the minimum amount  
12 for which competitive bidding is required from  
13 \$7,500 to \$15,000.

14  
15 A BILL  
16 TO BE ENTITLED  
17 AN ACT

18  
19 To amend Section 41-16-20, Code of Alabama 1975,  
20 relating to competitive bidding on contracts of higher  
21 education institutions to increase the minimum amount of  
22 contracts subject to competitive bid from \$7,500 to \$15,000.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Section 41-16-20 of the Code of Alabama  
25 1975, as last amended by Act 2009-763, 2009 Regular Session  
26 (Acts 2009, p. 2310), is amended to read as follows:

27 "§41-16-20.

1           "(a) With the exception of contracts for public  
2 works whose competitive bidding requirements are governed  
3 exclusively by Title 39, all contracts of whatever nature for  
4 labor, services, work, or for the purchase or lease of  
5 materials, equipment, supplies, other personal property or  
6 other nonprofessional services, involving ~~seven thousand five~~  
7 ~~hundred dollars (\$7,500)~~ fifteen thousand dollars (\$15,000) or  
8 more, made by or on behalf of any state department, board,  
9 bureau, commission, committee, institution, corporation,  
10 authority, or office shall, except as otherwise provided in  
11 this article, be let by free and open competitive bidding, on  
12 sealed bids, to the lowest responsible bidder.

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

16           "(1) PRIORITY #1. Produces or manufactures the  
17 product within the state.

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

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

26           "(c) In the event a bid is received for the product  
27 or service from a person, firm, or corporation deemed to be a

1 responsible bidder and a preferred vendor where any state  
2 higher education institution ~~department, board, bureau,~~  
3 ~~commission, committee, institution, corporation, authority, or~~  
4 ~~office~~ is the awarding authority and the bid is no more than  
5 five percent greater than the bid of the lowest responsible  
6 bidder, the awarding authority may award the contract to the  
7 preferred vendor."

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