

1 SB59
2 154427-4
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

1 SB59

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4 ENROLLED, An Act,

5 To amend Section 41-4-110, Code of Alabama 1975,
6 relating to the Division of Purchasing in the Department of
7 Finance; to allow state agencies to purchase personal property
8 from vendors not on statewide contract, if the purchase price
9 is at least ten percent less than the statewide contract
10 price.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 41-4-110 of the Code of Alabama
13 1975 is amended to read as follows:

14 "§41-4-110.

15 (a) There shall be in the Department of Finance the
16 Division of Purchasing. The functions and duties of the
17 Division of Purchasing shall be as follows:

18 (1) To purchase all personal property and
19 nonprofessional services, except alcoholic beverages, which
20 shall be purchased by the Alcoholic Beverage Control Board and
21 except as otherwise provided by law, for the state and each
22 department, board, bureau, commission, agency, office and
23 institution thereof, except as provided in subsection (e).

24 (2) To make and supervise the execution of all
25 contracts and leases for the use or acquisition of any

1 personal property and nonprofessional services unless
2 otherwise provided by law.

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

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

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

22 (6) To require the periodic reporting of all
23 purchases of furniture, fixtures, supplies, material,
24 equipment, and other personal property, except printing, and
25 all contracts and leases for the use or acquisition thereof by

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

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

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

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

1 governmental entity to the Director of Finance and the
2 Governor.

3 (d) The Division of Purchasing is authorized to
4 charge a biannual registration fee to vendors desiring to
5 register with the division to receive invitations-to-bid for
6 any goods or services solicited by the division and to charge
7 departments, boards, bureaus, commissions, agencies, offices,
8 and institutions for their proportionate share of operating
9 costs of the division. Any fee must be set by administrative
10 rule upon the approval of the Director of Finance. Any fees
11 collected under this provision shall be deposited in the State
12 Treasury to the credit of the State Procurement Fund and shall
13 be appropriated, budgeted, and allotted in accordance with
14 Sections 41-4-80 to 41-4-96, inclusive, and 41-19-1 to
15 41-19-12, inclusive, and only in amounts stipulated in general
16 appropriations bills and other appropriation bills.

17 (e) Notwithstanding any law to the contrary, state
18 departments, agencies, boards, and institutions may purchase
19 personal property from any vendor that offers the item at a
20 price at least ten percent below the price established on a
21 statewide contract by the Division of Purchasing for the same
22 item, provided that each acquisition of personal property
23 pursuant to this subsection, whether for a single item or
24 multiple items, does not exceed fifteen thousand dollars
25 (\$15,000). The Division of Purchasing shall confirm that the

1 terms and conditions of such purchase are substantially
2 similar to those of the statewide contract for the same item
3 prior to the approval of any purchase pursuant to this
4 subsection. This subsection shall not apply to construction or
5 road-building materials, as identified by the Purchasing
6 Agent. Any purchase that would be directly connected to any IT
7 network used by the state shall require prior approval by the
8 Secretary of Information Technology.

9 Any acquisition of personal property pursuant to
10 this subsection shall be purchased solely from vendors
11 physically located within the state, if the purchaser is to
12 take possession of the purchased goods at the vendor's
13 physical location.

14 The price of any goods or services purchased
15 pursuant to this subsection shall be the market price readily
16 available to the public at large.

17 Any acquisition of personal property pursuant to
18 this subsection is not exempt from the supervision and
19 administration of the Division of Purchasing.

20 Section 2. This act is effective immediately
21 following its passage and approval by the Governor, or its
22 otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB59

Senate 06-FEB-14

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Amended and passed 01-APR-14

Senate concurred in House amendment 01-APR-14

By: Senator Orr