

1 State of Arkansas
2 94th General Assembly
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4

As Engrossed: S2/22/23

A Bill

HOUSE BILL 1318

5 By: Representative Cavenaugh
6 By: Senator J. Bryant
7

For An Act To Be Entitled

9 AN ACT CONCERNING THE ALLOWABLE BASES FOR BIDS FOR
10 CERTAIN MUNICIPAL PURCHASES AND CONTRACTS; AND FOR
11 OTHER PURPOSES.
12
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Subtitle

15 CONCERNING THE ALLOWABLE BASES FOR BIDS
16 FOR CERTAIN MUNICIPAL PURCHASES AND
17 CONTRACTS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 14-58-303(b)(2)(A), concerning municipal
23 purchases and contracts, is amended to read as follows:

24 (2)(A)(i) Except as provided under § 14-58-104, in a city of the
25 first class in which the amount of expenditure for any purpose or contract
26 exceeds the sum of thirty-five thousand dollars (\$35,000), the mayor or the
27 mayor's authorized representative shall invite competitive bidding on the
28 purpose or contract by legal advertisement in any local newspaper.

29 (ii) Bids received pursuant to the advertisement
30 shall be opened and read on the date set for receiving the bids in the
31 presence of the mayor or the mayor's authorized representative.

32 (iii) The mayor or the mayor's authorized
33 representative has exclusive power to award the bid to the lowest responsible
34 bidder, subject to the provisions in subdivision (b)(2)(A)(iv) of this
35 section, and may reject any and all bids received.

36 (iv) For the purchase of supplies, apparatus,



1 equipment, materials, and other items under this subdivision (b)(2), the city
2 may base its award on the following method of evaluation if notice of the
3 method of evaluation is stated in the bid notice:

4 (a) The lowest immediate cost;

5 (b) The lowest demonstrated life cycle cost;

6 (c) The lowest demonstrated term costs; or

7 (d) A combination of two (2) or more of the
8 lowest immediate cost, the lowest demonstrated life cycle cost, and the
9 lowest demonstrated term costs.

10 (v) A bid, quote, and the documentation related to a
11 bid or quote shall be maintained as required under § 14-59-114(a)(1).

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13 SECTION 2. Arkansas Code § 14-58-303(d), concerning municipal
14 purchases and contracts, is amended to read as follows:

15 (d) ~~For purposes of~~ As used in this section:

16 (1) "Lowest demonstrated life cycle cost" means the cost of an
17 asset as determined by the mayor or the mayor's authorized representative to
18 be credibly established by a bidder over the life cycle of the asset, taking
19 into consideration the asset's initial capital costs, maintenance costs,
20 operating costs, and residual value at the end of the life of the asset;

21 (2) "Lowest demonstrated term cost" means the cost of an asset
22 as determined by the mayor or the mayor's authorized representative to be
23 credibly established by a bidder over a portion of the life cycle of the
24 asset, taking into consideration the asset's initial capital costs,
25 maintenance costs, and operating costs during the portion of the life cycle
26 of the asset;

27 (3) "Lowest responsible bidder" means the bidder who offers
28 trustworthiness and responsibility concerning the subject purchase and whose
29 bid offers the lowest cost to the city under subdivision (b)(2)(A) of this
30 section;

31 (4) "Reverse internet auction" means an internet-based process
32 in which bidders:

33 (A) Are given specifications for items and services being
34 sought for purchase by a municipality; and

35 (B) Bid against one another in order to lower the price of
36 the item or service to the lowest possible level; and

