

AN ACT relating to local government procurement.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS 45A.345 TO 45A.460 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Nonresident bidder" means an individual, partnership, association, corporation, or other business entity that does not meet the requirements of a resident bidder under paragraph (c) of this subsection;

(b) "Principal place of business" means:

1. The administrative headquarters or a physical place of business of the bidder; and

2. The location of at least fifty-one percent (51%) of the bidder's property and payroll; and

(c) "Resident bidder" means an individual, partnership, association, corporation, or other business entity that, on the date the invitation for bids is issued under KRS 45A.365:

1. Is a responsible bidder;

2. Is authorized to transact business with the local public agency; and

3. Has established and maintains its principal place of business within the jurisdictional limits of the local public agency.

(2) A local public agency may adopt a preference for resident bidders against nonresident bidders in awarding a contract for goods or products under KRS 45A.365. The preference may be established by the local public agency by:

(a) Adopting an ordinance establishing a standing residential bidder preference that specifies a percentage preference not to exceed twenty percent (20%) to be applied to contracts for goods or products awarded under KRS 45A.365. The standing residential bidder preference under this paragraph shall be

given to responsive resident bidders against responsive nonresident bidders in determining the lowest bid price or lowest evaluated bid price. A local public agency that adopts a standing residential bidder preference shall include notice of the preference and its percentage amount in the invitation for bids; or

(b) Applying a resident bidder preference for a specific contract for goods or products not to exceed twenty percent (20%). The resident bidder preference under this paragraph shall be given to responsive resident bidders against responsive nonresident bidders in determining the lowest bid price or lowest evaluated bid price for the award of a specific contract for goods or products under KRS 45A.365. A local public agency that applies a residential bidder preference under this paragraph shall include notice in the invitation for bids that the local public agency has elected to apply a residential bidder preference to the specific contract, and the percentage amount of the preference.