

Senate File 1 - Introduced

SENATE FILE 1
BY MATHIS

A BILL FOR

1 An Act relating to bidding for purchases through a competitive
2 bidding process by the state.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.311, Code 2015, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 12A. *a.* If the lowest responsive bid
4 received by the state for products or other purchases is from
5 an out-of-state business and totals less than five hundred
6 thousand dollars, and an Iowa-based business submitted a bid
7 which is within five percent or ten thousand dollars of the
8 price of the lowest bid, whichever is less, the Iowa-based
9 business which submitted the lowest responsive bid shall be
10 notified and shall be allowed to match the lowest bid before
11 a contract is awarded.

12 *b.* This subsection does not apply to a request for bids or
13 proposals for products or other purchases associated with the
14 following:

15 (1) Road or bridge construction or repair.

16 (2) Architectural or engineering services.

17 *c.* This subsection does not apply to procurement of or for
18 public improvement projects.

19 *d.* For purposes of this subsection:

20 (1) "*Iowa-based business*" means an entity that has its
21 principal place of business in Iowa.

22 (2) "*Public improvement*" means a building or construction
23 work which is constructed under the control of a governmental
24 entity and is paid for in whole or in part with funds of the
25 governmental entity, including a building or improvement
26 constructed or operated jointly with any other public or
27 private agency, and including a highway, bridge, or culvert
28 project, but excluding emergency work or repair or maintenance
29 work performed by state employees.

30 NEW SUBSECTION. 12B. *a.* A response to a request for bids
31 or proposals for products or other purchases by the state which
32 totals less than five hundred thousand dollars in value shall
33 contain the following information:

34 (1) The percentage of the ownership of the submitting
35 business which is held by Iowa residents.

1 (2) The percentage of the employees who will be carrying out
2 work in connection with the contract who are Iowa residents.
3 For the purposes of this subparagraph, "employee" includes
4 part-time, temporary, contract, and substitute employees, and
5 includes employees of any contractors or subcontractors.

6 (3) An estimate of the percentage of purchases to be made by
7 the submitting business in connection with the contract that
8 will be made from Iowa-based businesses.

9 (4) Documentation showing that the submitting business
10 paid taxes, as defined in section 445.1, in this state
11 during the most recently completed fiscal year for which such
12 documentation is available.

13 *b.* This subsection does not apply to a request for bids or
14 proposals for products or other purchases associated with the
15 following:

16 (1) Road or bridge construction or repair.

17 (2) Architectural or engineering services.

18 *c.* This subsection does not apply to procurement of or for
19 public improvement projects.

20 *d.* For purposes of this subsection:

21 (1) "*Iowa-based business*" means an entity that has its
22 principal place of business in Iowa.

23 (2) "*Public improvement*" means a building or construction
24 work which is constructed under the control of a governmental
25 entity and is paid for in whole or in part with funds of the
26 governmental entity, including a building or improvement
27 constructed or operated jointly with any other public or
28 private agency, and including a highway, bridge, or culvert
29 project, but excluding emergency work or repair or maintenance
30 work performed by state employees.

31 EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill provides that for purchases initiated by the state
35 through a competitive bidding process, if the lowest responsive

1 bid received is from an out-of-state business and totals less
2 than \$500,000, and an in-state business submitted a bid which
3 is within 5 percent or \$10,000 of the price of the lowest
4 responsive bid, whichever is less, the state shall notify
5 the in-state business which submitted the lowest responsive
6 bid and allow it to match the lowest responsive bid from the
7 out-of-state business before a contract is awarded.

8 The bill also provides that a response to a request for
9 bid or proposal for a purchase by the state which is less
10 than \$500,000 in value must contain certain information.
11 The required information is the percentage of the ownership
12 of the submitting business which is held by Iowa residents;
13 the percentage of employees who will be carrying out work
14 in connection with the contract who are Iowa residents; an
15 estimate of the percentage of purchases to be made by the
16 submitting business in connection with the contract that
17 will be made from Iowa-based businesses; and documentation
18 showing that the submitting business paid taxes, as defined
19 in Code section 445.1, in this state during the most recently
20 completed fiscal year for which such a figure is available.
21 For the purposes of determining how many employees carrying out
22 work in connection with the contract will be Iowa residents,
23 "employee" includes part-time, temporary, contract, and
24 substitute employees, and includes employees of any contractors
25 or subcontractors.

26 The bill does not apply to a request for bids or proposals
27 for products or other purchases associated with road or bridge
28 construction or repair, to a request for bids or proposals
29 for products or other purchases associated with architectural
30 or engineering services, or to procurement of or for public
31 improvement projects.

32 The bill defines "Iowa-based business" as an entity that
33 has its principal place of business in Iowa. The bill defines
34 "public improvement" as a building or construction work which
35 is constructed under the control of a governmental entity and

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1 is paid for in whole or in part with funds of the governmental
2 entity, including a building or improvement constructed or
3 operated jointly with any other public or private agency, and
4 including a highway, bridge, or culvert project, but excluding
5 emergency work or repair or maintenance work performed by state
6 employees.