

MAR 18 2003  
Place On Calendar

HOUSE FILE 609  
BY COMMITTEE ON ECONOMIC GROWTH

(SUCCESSOR TO HSB 230)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act encouraging the purchase of software and information  
2 technology produced in this state in state procurement  
3 processes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 609

1 Section 1. NEW SECTION. 73.12 TITLE AND DEFINITIONS.

2 1. This division may be cited as the "Iowa Software and  
3 Information Technology Procurement Act".

4 2. As used in this division, unless the context otherwise  
5 requires:

6 a. "Iowa software and information technology company"  
7 means a company that is authorized to conduct business in this  
8 state and which provides software or information technology-  
9 related goods or services, having a physical location for the  
10 purpose of transacting business within this state at which it  
11 is conducting and has been conducting business for at least  
12 six consecutive months prior to responding to a bid notice  
13 pursuant to this division, and in the case of a corporation,  
14 having at least fifty percent of its common stock held by  
15 residents of this state.

16 b. "Software or information technology-related goods or  
17 services" means software, firmware, or hardware to be used on,  
18 with, or for computing, network, communications, automation,  
19 information management, or digital media systems, as well as  
20 systems integration, installation, design, manufacture, and  
21 repair relating to such software, firmware, or hardware.

22 Sec. 2. NEW SECTION. 73.13 PROCUREMENTS.

23 Notwithstanding any provision of law or rule relating to  
24 competitive bidding procedures:

25 1. Every agency, department, commission, board, committee,  
26 officer, or other governing body of the state shall consider  
27 and shall purchase, when reasonable, software or information  
28 technology-related goods or services supplied by Iowa software  
29 and information technology companies.

30 2. The director of each agency or department of state  
31 government having purchasing authority shall issue electronic  
32 bid notices for distribution to the Iowa software and  
33 information technology industry web page located at the  
34 department of economic development if the director releases a  
35 solicitation for bids for procurement of software or

1 information technology-related goods or services. The notices  
2 shall be provided to the web page manager and by electronic  
3 mail to any Iowa software and information technology industry  
4 leadership councils that have registered with the department  
5 of economic development for receipt of notices forty-eight  
6 hours prior to the issuance of all bid notices. The notices  
7 shall contain a description of the subject of the bid, a point  
8 of contact for the bid, and any subcontract goals included in  
9 the bid.

10 3. Of the total value of anticipated procurements of goods  
11 and services under this section, a goal shall be established  
12 to procure at least fifty percent from Iowa software and  
13 information technology companies. The department of economic  
14 development shall, on a biannual basis, assess the state's  
15 progress with respect to this goal and shall provide a report  
16 of the progress to the general assembly by January 1 of the  
17 year following the assessment.

18 4. For purchases of software or information technology-  
19 related goods or services, a competitive bid procedure must be  
20 used.

21 5. The applicable provisions of chapter 18, or any other  
22 provisions pertaining to solicitations, bid evaluations,  
23 contract awards, and other procurement matters shall apply to  
24 procurement contracts for software or information technology-  
25 related goods or services pursuant to this section. However,  
26 if the provisions of this section conflict with an applicable  
27 provision of chapter 18 or any other provision, the provisions  
28 contained within this section shall prevail.

29 Sec. 3. NEW SECTION. 73.14 RULES.

30 The department of economic development shall adopt rules  
31 under this division to establish an Iowa software and  
32 information technology industry web page, and a registry of  
33 Iowa software and information technology industry leadership  
34 councils for providing electronic notices of bids. Other  
35 agencies and departments are authorized to adopt such rules as

1 are necessary to implement the procurement procedures pursuant  
2 to this division.

3 EXPLANATION

4 This bill contains provisions encouraging the purchase of  
5 software and information technology produced in this state in  
6 the state procurement process.

7 The bill defines an "Iowa software and information  
8 technology company" as a company authorized to conduct  
9 business in this state to provide software or information  
10 technology-related goods or services, with a physical location  
11 for transacting business in the state at which it has been  
12 conducting business for at least six consecutive months prior  
13 to responding to a bid notice. The bill provides that if the  
14 company is a corporation, the company shall have at least 50  
15 percent of its common stock held by residents of this state.  
16 The bill defines "software or information technology-related  
17 goods or services" as software, firmware, or hardware to be  
18 used on, with, or for computing, network, communications,  
19 automation, information management, or digital media systems,  
20 as well as systems integration, installation, design,  
21 manufacture, and repair relating to such software, firmware,  
22 or hardware.

23 The bill provides that notwithstanding any provision of law  
24 or rule relating to competitive bidding procedures, every  
25 agency, department, commission, board, committee, officer, or  
26 other governing body of the state shall consider and purchase,  
27 when reasonable, goods and services supplied by Iowa software  
28 and information technology companies. The bill provides that  
29 electronic bid notices shall be issued for distribution to an  
30 Iowa software and information technology industry web page to  
31 be developed by and located at the department of economic  
32 development if a solicitation for bids for procurement of  
33 software or information technology-related goods or services  
34 is being released. The bill provides that notices shall be  
35 provided to the web page manager and by electronic mail to any

1 Iowa software and information technology industry leadership  
2 councils that register with the department of economic  
3 development for receipt of notices 48 hours prior to the  
4 issuance of all bid notices.

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6 procurements of goods and services under the bill, a goal  
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11 department of economic development to the general assembly.

12 The bill provides that for purchases of software or  
13 information technology-related goods or services, a  
14 competitive bid procedure must be used.

15 The bill provides that these provisions shall prevail over  
16 any conflicting provisions contained in Code chapter 18 or  
17 elsewhere dealing with competitive bidding procedures, and  
18 that in the event there is not a conflict such other  
19 provisions, to the extent applicable, shall apply. The bill  
20 additionally provides for the adoption of rules relating to  
21 the creation of the web page, the registry, and by other  
22 agencies and departments to implement the procurement  
23 procedures.

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Succeeded By: HSB 230  
Si 609 ECONOMIC GROWTH

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CHAIRPERSON HOFFMAN)

Passed House, Date \_\_\_\_\_

Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

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15 progress with respect to this goal and shall provide a report  
16 of the progress to the general assembly by January 1 of the  
17 year following the assessment.

18 4. In awarding a contract pursuant to this section for  
19 software or information technology-related goods or services,  
20 a director of an agency or department, or a community college,  
21 area education agency, or school district, having purchasing  
22 authority may use a negotiated price if the vendor is an Iowa  
23 software and information technology company with a place of  
24 business within fifty miles of where the goods or services  
25 will be used. For all other purchases of software or  
26 information technology-related goods or services, a bid  
27 contract procedure must be used. A bid from an Iowa software  
28 and information technology company may receive a preference of  
29 up to five percent of the lowest total bid in comparing the  
30 bids received. The director of the department of economic  
31 development, the director of the department of management, or  
32 the director of the department of general services may assist  
33 with the bidding process or contract negotiation under this  
34 section.

35 5. The applicable provisions of chapter 18, or any other



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2 contract awards, and other procurement matters shall apply to  
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