

# Senate Study Bill 1138

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
GOVERNMENT OVERSIGHT BILL  
BY CO=CHAIRPERSON LUNDBY)

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

## A BILL FOR

1 An Act relating to bidding requirements for state executive  
2 branch purchases.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2258SC 81  
5 jr/gg/14

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1 1 Section 1. Section 8A.311, unnumbered paragraph 1, Code  
1 2 2005, is amended to read as follows:  
1 3 The director shall adopt rules establishing competitive  
1 4 bidding procedures and shall provide notice in an electronic  
1 5 format available to the public, of every competitive bidding  
1 6 opportunity offered by every state agency. Each state agency  
1 7 offering a competitive bidding opportunity must comply with  
1 8 the notice requirements of this paragraph and any requirements  
1 9 adopted by rule.

1 10 Sec. 2. Section 8A.311, subsection 1, Code 2005, is  
1 11 amended to read as follows:  
1 12 1. All equipment, supplies, or services procured by the  
1 13 department shall be purchased by a competitive bidding  
1 14 procedure as established by rule. However, the The director  
1 15 may exempt by rule purchases of noncompetitive items and  
1 16 purchases in lots or quantities too small to be effectively  
1 17 purchased by competitive bidding. The rules may include the  
1 18 use of a master contract; however, a master contract may be in  
1 19 effect for no longer than five years. Preference shall be  
1 20 given to purchasing Iowa products and purchases from Iowa=  
1 21 based businesses if the Iowa-based business bids submitted are  
1 22 comparable in price to bids submitted by out-of-state  
1 23 businesses and otherwise meet the required specifications. If  
1 24 the laws of another state mandate a percentage preference for  
1 25 businesses or products from that state and the effect of the  
1 26 preference is that bids of Iowa businesses or products that  
1 27 are otherwise low and responsive are not selected in the other  
1 28 state, the same percentage preference shall be applied to Iowa  
1 29 businesses and products when businesses or products from that  
1 30 other state are bid to supply Iowa requirements.

1 31 Sec. 3. Section 216B.3, subsection 12, unnumbered  
1 32 paragraph 1, Code 2005, is amended to read as follows:  
1 33 Manage and control the property, both real and personal,  
1 34 belonging to the department. To the extent practicable,  
1 35 equipment, supplies, or services procured by the department  
2 1 shall be purchased through a competitive bidding procedure as  
2 2 established by rule. However, the director may exempt by rule  
2 3 purchases of noncompetitive items and purchases in lots or  
2 4 quantities too small to be effectively purchased by  
2 5 competitive bidding. The rules may include the use of a  
2 6 master contract; however, a master contract may be in effect  
2 7 for no longer than five years.

2 8 PARAGRAPH DIVIDED. The commission shall, according to the  
2 9 schedule established in this subsection, when the price is  
2 10 reasonably competitive and the quality as intended, purchase  
2 11 soybean-based inks and plastic products with recycled content,  
2 12 including but not limited to plastic garbage can liners. For  
2 13 purposes of this subsection, "recycled content" means that the  
2 14 content of the product contains a minimum of thirty percent  
2 15 postconsumer material.

2 16 Sec. 4. Section 262.9, Code 2005, is amended by adding the

2 17 following new subsection:

2 18 NEW SUBSECTION. 31. Require, to the extent practicable,  
2 19 that all equipment, supplies, or services procured by all  
2 20 institutions under the jurisdiction of the board be purchased  
2 21 through a competitive bidding procedure as established by  
2 22 rule. However, the secretary may exempt by rule purchases of  
2 23 noncompetitive items and purchases in lots or quantities too  
2 24 small to be effectively purchased by competitive bidding. The  
2 25 rules may include the use of a master contract; however, a  
2 26 master contract may be in effect for no longer than five  
2 27 years.

2 28 Sec. 5. Section 307.21, subsection 4, paragraph a, Code  
2 29 2005, is amended to read as follows:

2 30 a. Provide centralized purchasing services for the  
2 31 department, in cooperation with the department of  
2 32 administrative services. To the extent practicable,  
2 33 equipment, supplies, or services procured by the department  
2 34 shall be purchased through a competitive bidding procedure as  
2 35 established by rule. However, the director may exempt by rule  
3 1 purchases of noncompetitive items and purchases in lots or  
3 2 quantities too small to be effectively purchased by  
3 3 competitive bidding. The rules may include the use of a  
3 4 master contract; however, a master contract may be in effect  
3 5 for no longer than five years.

3 6 PARAGRAPH DIVIDED. The administrator shall, when the price  
3 7 is reasonably competitive and the quality as intended,  
3 8 purchase soybean-based inks and plastic products with recycled  
3 9 content, including but not limited to plastic garbage can  
3 10 liners, and shall purchase these items in accordance with the  
3 11 schedule established in section 8A.315. However, the  
3 12 administrator need not purchase garbage can liners in  
3 13 accordance with the schedule if the liners are utilized by a  
3 14 facility approved by the environmental protection commission  
3 15 created under section 455A.6, for purposes of recycling. For  
3 16 purposes of this subsection, "recycled content" means that the  
3 17 content of the product contains a minimum of thirty percent  
3 18 postconsumer material.

3 19 EXPLANATION

3 20 This bill requires the department of administrative  
3 21 services to make all competitive bidding opportunities, from  
3 22 all state executive branch agencies, available to the public  
3 23 in an electronic format. The bill establishes a general  
3 24 policy that equipment, supplies, or services procured by the  
3 25 state shall be purchased using a competitive bidding  
3 26 procedure, when practicable.

3 27 The bill also provides that a master contract can be in  
3 28 effect only for five years. A master contract is an agreement  
3 29 with a vendor to sell a good or a service at a specified  
3 30 price, and allowing any number of individual sales at that  
3 31 price usually to any state agency.

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