

Senate File 15 - Introduced

SENATE FILE 15
BY MATHIS

A BILL FOR

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

1 Section 1. Section 8A.311, Code 2013, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 12A. *a.* If the lowest responsive bid
4 received by the state or a political subdivision for products
5 or other purchases is from an out-of-state business and totals
6 less than five hundred thousand dollars, and an Iowa-based
7 business submitted a bid which is within five percent or ten
8 thousand dollars of the price of the lowest bid, whichever
9 is less, the Iowa-based business which submitted the lowest
10 responsive bid shall be notified and shall be allowed to match
11 the lowest bid before 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 NEW SUBSECTION. 12B. *a.* A response to a request for
20 bids or proposals for products or other purchases by the
21 state or a political subdivision which totals less than five
22 hundred thousand dollars in value shall contain the following
23 information:

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

26 (2) The percentage of the employees who will be carrying out
27 work in connection with the contract who are Iowa residents.
28 For the purposes of this paragraph, "employee" includes
29 part-time, temporary, contract, and substitute employees, and
30 includes employees of any contractors or subcontractors.

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

34 (4) The amount of property tax paid by the submitting
35 business during the most recently completed fiscal year for

1 which such a figure is available.

2 *b.* This subsection does not apply to a request for bids or
3 proposals for products or other purchases associated with the
4 following:

5 (1) Road or bridge construction or repair.

6 (2) Architectural or engineering services.

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

9 EXPLANATION

10 This bill provides that for purchases initiated by the
11 state or a political subdivision through a competitive bidding
12 process, if the lowest responsive bid received is from an
13 out-of-state business and totals less than \$500,000, and an
14 in-state business submitted a bid which is within 5 percent or
15 \$10,000 of the price of the lowest responsive bid, whichever
16 is less, the state or political subdivision shall notify the
17 in-state business which submitted the lowest responsive bid
18 and allow it to match the lowest responsive bid from the
19 out-of-state business before a contract is awarded.

20 The bill also provides that a response to a request for
21 bid or proposal for a purchase by the state or a political
22 subdivision which is less than \$500,000 in value must contain
23 certain information. The required information is the
24 percentage of the ownership of the submitting business which is
25 held by Iowa residents; the percentage of employees who will be
26 carrying out work in connection with the contract who are Iowa
27 residents; an estimate of the percentage of purchases to be
28 made by the submitting business in connection with the contract
29 that will be made from Iowa-based businesses; and the amount
30 of property tax paid by the submitting business during the
31 most recently completed fiscal year for which such a figure is
32 available. For the purposes of determining how many employees
33 carrying out work in connection with the contract will be
34 Iowa residents, "employee" includes part-time, temporary,
35 contract, and substitute employees, and includes employees of

1 any contractors or subcontractors.

2 The bill does not apply to a request for bids or proposals
3 for products or other purchases associated with road or bridge
4 construction or repair, to a request for bids or proposals
5 for products or other purchases associated with architectural
6 or engineering services, or to procurement of or for public
7 improvement projects.