

**House File 2457 - Introduced**

HOUSE FILE 2457

BY BENNETT and THORUP

**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 2022, 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, "*public improvement*"  
20 means a building or construction work which is constructed  
21 under the control of a governmental entity and is paid for  
22 in whole or in part with funds of the governmental entity,  
23 including a building or improvement constructed or operated  
24 jointly with any other public or private agency, and including  
25 a highway, bridge, or culvert project, but excluding emergency  
26 work or repair or maintenance work performed by state  
27 employees.

28 NEW SUBSECTION. 12B. *a.* A response to a request for  
29 bids or proposals for products or other purchases by the  
30 state which totals less than five hundred thousand dollars in  
31 value shall contain documentation showing that the submitting  
32 business paid taxes, as defined in section 445.1, in this state  
33 during the most recently completed fiscal year for which such  
34 documentation is available.

35 *b.* This subsection does not apply to a request for bids or

1 proposals for products or other purchases associated with the  
2 following:

3 (1) Road or bridge construction or repair.

4 (2) Architectural or engineering services.

5 c. This subsection does not apply to procurement of or for  
6 public improvement projects.

7 d. For purposes of this subsection, "*public improvement*"  
8 means a building or construction work which is constructed  
9 under the control of a governmental entity and is paid for  
10 in whole or in part with funds of the governmental entity,  
11 including a building or improvement constructed or operated  
12 jointly with any other public or private agency, and including  
13 a highway, bridge, or culvert project, but excluding emergency  
14 work or repair or maintenance work performed by state  
15 employees.

16 EXPLANATION

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

19 This bill provides that for purchases initiated by the state  
20 through a competitive bidding process, if the lowest responsive  
21 bid received is from an out-of-state business and totals less  
22 than \$500,000, and an in-state business submitted a bid which  
23 is within 5 percent or \$10,000 of the price of the lowest  
24 responsive bid, whichever is less, the state shall notify  
25 the in-state business which submitted the lowest responsive  
26 bid and allow it to match the lowest responsive bid from the  
27 out-of-state business before a contract is awarded.

28 The bill also provides that a response to a request for bid  
29 or proposal for a purchase by the state which is less than  
30 \$500,000 in value must contain documentation showing that the  
31 submitting business paid taxes, as defined in Code section  
32 445.1, in this state during the most recently completed fiscal  
33 year for which such a figure is available.

34 The bill does not apply to a request for bids or proposals  
35 for products or other purchases associated with road or bridge

1 construction or repair, to a request for bids or proposals  
2 for products or other purchases associated with architectural  
3 or engineering services, or to procurement of or for public  
4 improvement projects.

5     The bill defines "public improvement" as a building or  
6 construction work which is constructed under the control of  
7 a governmental entity and is paid for in whole or in part  
8 with funds of the governmental entity, including a building  
9 or improvement constructed or operated jointly with any other  
10 public or private agency, and including a highway, bridge, or  
11 culvert project, but excluding emergency work or repair or  
12 maintenance work performed by state employees.