

**House File 2399 - Introduced**

HOUSE FILE 2399  
BY GOLDING

**A BILL FOR**

1 An Act relating to the awarding of public improvement contracts.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 26.9, subsection 1, Code 2026, is amended  
2 to read as follows:

3 1. a. The contract for the public improvement must be  
4 awarded to the lowest responsive, responsible bidder or, if the  
5 lowest responsive, responsible bid is from a contractor whose  
6 headquarters is located more than fifty miles from the public  
7 improvement for which the contractor is submitting a bid, the  
8 contract may be awarded to a local contractor whose bid is  
9 no more than ten percent greater than the lowest responsive,  
10 responsible bid. However, contracts relating to public utilities  
11 or extensions or improvements thereof, as described in sections  
12 384.80 through 384.94, may be awarded by the city as it deems to  
13 be in the best interests of the city. This section shall not  
14 be construed to prohibit a governmental entity in the award of a  
15 contract for a public improvement or a governing body of a city  
16 utility from providing, in the award of a contract for a public  
17 improvement, an enhancement of payments upon early completion of  
18 the public improvement if the availability of the enhancement  
19 payments is included in the notice to bidders, the enhancement  
20 payments are competitively neutral to potential bidders, the  
21 enhancement payments are considered as a separate item in the  
22 public hearing on the award of contract, and the total value of  
23 the enhancement payments does not exceed ten percent of the value  
24 of the contract.

25 b. For purposes of this subsection, "local contractor" means  
26 a contractor whose business headquarters is located within fifty  
27 miles of the public improvement for which the contractor is  
28 submitting a bid.

29 EXPLANATION

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

32 Under current law, a contract for a public improvement must  
33 be awarded to the lowest responsive, responsible bidder. This  
34 bill provides that a contract for a public improvement may be  
35 awarded to a local contractor whose bid is within 10 percent

1 of the cost of the lowest responsive, responsible bid when the  
2 lowest responsive, responsible bid is from a contractor whose  
3 headquarters is located more than 50 miles from the public  
4 improvement for which the contractor is submitting a bid.

5 The bill defines "local contractor" as a contractor whose  
6 business headquarters is located within 50 miles of the public  
7 improvement for which the contractor is submitting a bid.

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