

1 HB436  
2 116613-2  
3 By Representatives McClammy and Salaam  
4 RFD: Government Operations  
5 First Read: 26-JAN-10

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8 SYNOPSIS: Under existing law, "preferred vendors" are  
9 given preference in the awarding of public  
10 contracts required to be competitively bid.

11 This bill would give preferred vendor status  
12 under the competitive bid laws to each small  
13 business certified under the federal HUBZone  
14 program when a state contract is awarded.

15 This bill would also provide for each small  
16 business certified under the HUBZone program to  
17 receive from the state any benefit which the  
18 federal government offers to such a business.

19  
20 A BILL

21 TO BE ENTITLED

22 AN ACT

23  
24 To amend Section 41-16-20, Code of Alabama 1975, as  
25 amended by Act No. 2009-763, 2009 Regular Session (Acts 2009,  
26 p. 2310), to provide further for certain preferred vendors  
27 under the competitive bid law and to provide for each small

1 business certified under the federal HUBZone program to  
2 receive from the state any benefit which the federal  
3 government offers to such a business.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Section 41-16-20, Code of Alabama 1975,  
6 as amended by Act No. 2009-763, 2009 Regular Session (Acts  
7 2009, p. 2310), is amended to read as follows:

8 "§41-16-20.

9 "(a) With the exception of contracts for public  
10 works whose competitive bidding requirements are governed  
11 exclusively by Title 39, all contracts of whatever nature for  
12 labor, services, work, or for the purchase or lease of  
13 materials, equipment, supplies, other personal property or  
14 other nonprofessional services, involving seven thousand five  
15 hundred dollars (\$7,500) or more, made by or on behalf of any  
16 state department, board, bureau, commission, committee,  
17 institution, corporation, authority, or office shall, except  
18 as otherwise provided in this article, be let by free and open  
19 competitive bidding, on sealed bids, to the lowest responsible  
20 bidder.

21 "(b) A "preferred vendor" shall be a person, firm,  
22 or corporation which is granted preference priority according  
23 to the following:

24 "(1) PRIORITY #1. Produces or manufactures the  
25 product within the state.

26 "(2) PRIORITY #2. Has an assembly plant or  
27 distribution facility for the product within the state.

1           "(3) PRIORITY #3. Is organized for business under  
2 the applicable laws of the state as a corporation,  
3 partnership, or professional association and has maintained at  
4 least one retail outlet or service center for the product or  
5 service within the state for not less than one year prior to  
6 the deadline date for the competitive bid.

7           "(c) In the event a bid is received for the product  
8 or service from a person, firm, or corporation deemed to be a  
9 responsible bidder and a preferred vendor where any state  
10 department, board, bureau, commission, committee, institution,  
11 corporation, authority, or office is the awarding authority  
12 and the bid is no more than five percent greater than the bid  
13 of the lowest responsible bidder, the awarding authority may  
14 award the contract to the preferred vendor.

15           "(d) In addition to the aforementioned preferred  
16 vendors, each small business certified under the federal  
17 HUBZone program shall be a preferred vendor with #1 preference  
18 priority status on all contracts awarded by the state for  
19 state agencies and departments." Section 2. Each small  
20 business certified under the federal HUBZone program shall  
21 receive from the state any benefits which the federal  
22 government offers to such a business."

23           Section 2. Each small business certified under the  
24 federal HUBZone program shall receive from the state any  
25 benefits which the federal government offers to such a  
26 business if the state grants such benefits to other  
27 businesses.

1                   Section 3. This act shall become effective on the  
2 first day of the third month following its passage and  
3 approval by the Governor, or its otherwise becoming law.