

2014 -- H 7235

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- STATE PURCHASES

Introduced By: Representatives Marshall, Costantino, Casey, O`Grady, and Gallison

Date Introduced: January 30, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 37-2-80 of the General Laws in Chapter 37-2 entitled "State  
2 Purchases" is hereby amended to read as follows:

3 ~~37-2-80. Selection of vendors and services with place of business located in Rhode~~  
4 ~~Island.~~ **Selection of vendors and services with place of business located in Rhode Island--**  
5 **Reciprocal preference provision in award of state contracts.** -- (a) The State of Rhode Island  
6 and Providence Plantations has a large number of well-qualified vendors and service-oriented  
7 businesses. In instances where contracts are entirely supported by state funds and two (2) or more  
8 vendors or service providers are judged to be equal on all other factors, the chief purchasing  
9 officer shall select a vendor or service provider whose headquarters or primary place of business  
10 is located within the state or secondly select those entities that propose a joint venture with a  
11 vendor or service provider whose headquarters or primary place of business is within the state.

12 (b) Notwithstanding any other provision of the law to the contrary commencing on  
13 January 1, 2015, in the award of a contract entirely supported by state funds, after the original  
14 bids have been received and an original lowest responsible bid is identified, the chief purchasing  
15 officer or purchasing agency shall add a percent increase to the original bid of a nonresident  
16 bidder equal to the percent, if any, of the preference given to such nonresident bidder in the state  
17 in which such nonresident bidder resides. If, after application of such percent increase, the bidder  
18 that submits the lowest responsible qualified bid is a resident bidder, the state contracting agency  
19 shall award such contract to such resident bidder provided such resident bidder agrees, in writing,

1 to meet the original lowest responsible qualified bid. Any such agreement by such resident bidder  
2 to meet the original lowest responsible qualified bid shall be made not later than seventy-two (72)  
3 hours after such resident bidder receives notice from such state purchasing agency that such  
4 resident bidder may be awarded such contract if such resident bidder agrees to meet the original  
5 lowest responsible qualified bid. For the purposes of this section, "nonresident bidder" means a  
6 business that is not a resident of the state that submits a bid in response to an invitation to bid by a  
7 state purchasing agency; "resident bidder" means a business that submits a bid in response to an  
8 invitation to bid by a state purchasing agency and that has paid unemployment taxes or income  
9 taxes in this state during the twelve (12) calendar months immediately preceding submission of  
10 such bid, has a business address in the state and has affirmatively claimed such status in the bid  
11 submission; "contract" means "contract" as defined in § 37-2-7(5); and "purchasing agency"  
12 means "purchasing agency" as defined in § 37-2-7(18).

13 (c) Not later than January 1, 2015, and each January thereafter, the department of  
14 administration shall publish a list of states that give preference to in-state bidders with the percent  
15 increase applied in each state. Such list shall be made available to all state purchasing agencies  
16 and may be relied upon by such agencies in determining the lowest responsible bidder.

17 (d) This section shall not apply to contracts that are financed in part or in their entirety by  
18 the federal government, including, but not limited to, contracts supported by the Federal Highway  
19 Administration (FHA), the Federal Railroad Administration (FRA), the Federal Aviation  
20 Administration (FAA) or the Environmental Protection Agency (EPA).

21 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- STATE PURCHASES

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1           This act would establish a reciprocal preference provision in the awarding of state  
2 contracts and would require the department of administration to publish a list of states that give  
3 preference to in-state bidders with the percent increase applied in each state.

4           This act would take effect upon passage.

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