

HOUSE BILL 702

By Kumar

AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 56 and Title 12, Chapter 3, relative to local government purchasing bid thresholds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 3, is amended by adding the following language as a new, appropriately designated section:

Notwithstanding any charter provision, private act, or other law to the contrary, any county, municipality, utility district, or other local governmental entity having centralized purchasing authority with a full-time purchasing agent is authorized, by resolution or ordinance of its governing body, to increase the threshold over which public advertisement and sealed competitive bids or proposals are required to an amount not to exceed twenty-five thousand dollars (\$25,000) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing less than the bid threshold established for public advertisement and sealed competitive bids or proposals but more than forty percent (40%) of such bid threshold or some lower amount as may be established by the governing body in the resolution. Purchases of like items shall be aggregated for purposes of the bid threshold.

SECTION 2. Tennessee Code Annotated, Section 6-56-306, is amended by deleting subsection (a) in its entirety and substituting instead the following language:

(a) Notwithstanding any charter provision, private act, or other law to the contrary, municipal governing bodies are specifically authorized to lower the dollar amounts required in this part for public advertisement and competitive bidding to an

amount to be set by the municipal governing body. Municipal governing bodies may by ordinance increase the dollar amount required in this part for public advertisement and competitive bidding from two thousand five hundred dollars (\$2,500) to a maximum of twenty-five thousand dollars (\$25,000). When the governing body does this, references in this part to two thousand five hundred dollars (\$2,500) shall be deemed a reference to the amount established by the municipal governing body in its ordinance, and all remaining provisions of this part shall apply.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.