

HOUSE BILL 1379

By Sargent

AN ACT to amend Tennessee Code Annotated, Section 12-3-1212 and Title 49, Chapter 2, relative to local education agency bid thresholds.

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

SECTION 1. Tennessee Code Annotated, Section 49-2-203(a)(3), is amended by deleting the language "Purchase all supplies, furniture, fixtures and material of every kind through the executive committee;" and substituting instead the following language:

Purchase all supplies, furniture, fixtures, and material of every kind through the executive committee. However:

SECTION 2. Tennessee Code Annotated, Section 49-2-203(a)(3)(A), is amended by deleting the subdivision and substituting instead the following language:

(i) All expenditures for such purposes may follow the prescribed procedures of the LEA's respective local governing body, so long as that body, through its charter, private act, or ordinance has established a procurement procedure that provides for advertisement and competitive bidding, except that, if a newspaper advertisement is required, it may be waived in case of emergency;

(ii) If the LEA chooses not to follow the local governing body's purchasing procedures, all expenditures for such purposes estimated to exceed twenty-five thousand dollars (\$25,000) or more must be made on competitive bids, which must be solicited, at a minimum, by advertisement on the local board of education's website, except that the website advertisement may be waived in the event of emergency;

(iii) Notwithstanding subdivision (a)(3)(A)(ii), if the LEA chooses not to follow the local governing body's purchasing procedures and has a separate purchasing division,

all expenditures for such purposes estimated to exceed one hundred thousand dollars (\$100,000) or more must be made on competitive bids, which must be solicited, at a minimum, by advertisement on the local board of education's website, except that the website advertisement may be waived in the event of emergency; and

(iv) School districts that have a purchasing division may use a comprehensive vendor list for the purpose of soliciting competitive bids if the vendors on the list are given notice to bid and the purchasing division periodically advertises in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement;

SECTION 3. Tennessee Code Annotated, Section 49-2-203(a)(3)(B), is amended by deleting the subdivision and substituting instead the following language:

(i) If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than twenty-five thousand dollars (\$25,000) may be made in the open market without website notice, but must, whenever possible, be based upon at least three (3) competitive bids; and

(ii) Notwithstanding subdivision (a)(3)(B)(i), if the LEA chooses not to follow the local governing body's purchasing procedures and has a separate purchasing division, all purchases of less than one hundred thousand dollars (\$100,000) may be made in the open market without website notice, but must, whenever possible, be based upon at least three (3) competitive bids;

SECTION 4. Tennessee Code Annotated, Section 49-2-203(a)(3)(C)(i), is amended by deleting the second sentence and substituting instead the following language:

If the LEA chooses not to follow the local governing body's procedure, the board must hold open bids for the construction of school buildings or additions to school buildings before contracting for such construction if the expenditure is in excess of twenty-five thousand dollars (\$25,000) and the school district does not have a separate purchasing division, or if the expenditure is in excess of one-hundred thousand dollars (\$100,000) if the school district has a separate purchasing division;

SECTION 5. Tennessee Code Annotated, Section 12-3-1212, is amended by deleting the language "utility district, or other local government entity" and substituting instead the language "utility district, LEA in accordance with § 49-2-203(a), or other local government entity".

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.