

HOUSE BILL 1726

By Mitchell

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 56; Title 12, Chapter 4 and Title 12, Chapter 3, to enact the "Procurement of Domestic Products Act".

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 part:

12-3-__.

This part shall be known as and may be cited as the "Procurement of Domestic Products Act."

12-3-__.

As used in this part:

(1) "Domestic origin" means:

(A) A good manufactured in the United States; or

(B) A good manufactured in the United States from components mined, produced, or manufactured in the United States so long as the cost of the good's foreign components does not exceed fifty percent (50%) of the cost of all components.

(2) "United States" means the geographic boundaries of the United States, Puerto Rico, the United States Virgin Islands, and any territory or insular possession subject to the jurisdiction of the United States.

12-3-__.

(a) Any state agency making purchases of goods under this chapter shall give preference to those of domestic origin.

(b) Subsection (a) shall not apply if the chief procurement officer determines the acquisition of goods of domestic origin is inconsistent with the public interest or that their cost increases the cost of a contract by more than twenty-five percent (25%). Prior to making such a determination, the chief procurement officer shall provide the public with adequate public notice, published on its website or in a newspaper of general circulation, that a state agency cannot procure goods of domestic origin followed by a thirty-day comment period. After thirty (30) days, the state agency shall submit a report to the chief procurement officer including any plans on how the state may promote the availability or affordability of goods of domestic origin. Any determination made by the chief procurement officer pursuant to this subsection shall only be valid for one (1) year, or for the length of the contract.

(c) The chief procurement officer shall promulgate regulations pursuant to title 4, chapter 56, authorizing a preference for goods of domestic origin. All such regulations shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

12-3-____.

Any vendor seeking a preference pursuant to this part shall supply supporting documentation as the chief procurement officer may require and shall certify that the vendor will provide goods of domestic origin. This certification shall acknowledge and confirm the right of the chief procurement officer to audit and monitor compliance.

12-3-____.

If any vendor knowingly violates this part, the chief procurement officer may upon discovering such violation:

(a) Bar such vendor from obtaining any contract with the agency for a period up to five (5) years;

(b) Void any existing contract; or

(c) Bring a claim to recover damages pursuant to the False Claims Act
complied in § 4-18-101 et. seq.

SECTION 2. If any provision of this act or the application thereof to any person or
circumstance is held invalid, such invalidity shall not affect other provisions or applications of the
act which can be given effect without the invalid provision or application, and to that end the
provisions of this act are declared to be severable.

SECTION 3. This act shall take effect July 1, 2014, the public welfare requiring it, and
shall apply to contracts entered into or renewed on and after such date.