

HOUSE BILL 2869  
By DuBois

AN ACT to amend Tennessee Code Annotated, Title 12,  
Chapter 3, Part 10, relative to city and county  
purchases.

WHEREAS, current state law requires cities and counties to award bids to the lowest bidder in those instances where goods or services are required to be bid; and

WHEREAS, competitive bidding helps ensure that cities and counties and their citizens receive the best value for purchases made; and

WHEREAS, cities and counties regularly purchase and lease vehicles, machinery and other equipment that requires ongoing servicing and maintenance; and

WHEREAS, some purchases required through competitive bidding from distant bidders may be counterproductive and result in a city or county being required to spend significant additional monies for transportation, fuel, manpower and related expenses in order to obtain servicing at dealerships and service providers located some distance from such city or county; and

WHEREAS, such expenses quickly add up to mitigate any and all savings originally realized through the competitive bidding process itself; and

WHEREAS, cities and counties require controlled flexibility in bidding to provide the maximum value to citizens while protecting the integrity and fairness of the bidding process; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 3, Part 10, is amended by adding the following language as a new section:

Section 12-3-1011.

(a) Notwithstanding any other provision of law, a city or county required to purchase, lease, or lease-purchase tangible personal property on the basis of competitive bidding may, if such tangible personal property requires continued post-purchase or post-leasing servicing or maintenance, select a bidder within two percent (2%) of a low bidder whose nearest service or maintenance location is just outside the border of such city or county.

(b) For the purposes of this section, "continued post-purchase or post-leasing servicing or maintenance" means servicing or maintenance required on an annual or more frequent basis.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.