

Amendment No. 1 to HB1905

Todd
Signature of Sponsor

AMEND Senate Bill No. 2079

House Bill No. 1905*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 3, is amended by adding the following language as a new, appropriately designated section:

Section 4-3-309,

(a)

(1) As used in this section, "local governmental unit" means and includes a county, city, municipality, special district, utility district, school district, authority, or any other entity created or appointed by a local governmental unit of the state.

(2) For a purchase of goods or services, any local governmental unit may purchase goods or services through a competitive reverse auction process that allows offerors to bid on specified goods or services electronically and adjust bid pricing during a specified time period.

(3) The provisions of this act shall not apply to:

(A) Construction services, other than those relating to maintenance, repairs and renovations the cost of which is less than twenty-five thousand dollars (\$25,000);

(B) Architectural or engineering services;

(C) New or unused motor vehicles, unless such motor vehicles are manufactured for a special purpose. "Manufactured for a special purpose" includes, but is not limited to: school buses, garbage trucks, fire trucks or ambulances; or

(D) New or unused construction equipment.

(b) The purchasing agent of the local governmental unit shall solicit sealed bids by public notice inserted at least once in a newspaper of county-wide circulation five (5) days prior to the final date for submitting bids. If the county in question has no newspaper with county-wide circulation, the purchasing agent may post notices on a public bulletin board in the county courthouse. In addition to the public notice, the purchasing agent may also solicit bid requests by mail to prospective bidders or by distributing invitations to bid electronically via email or by posting on the entity's website. All invitations to bid shall include a general description of the goods or services to be purchased and information related to the time and place of opening bids.

(c) In order to assure the fullest possible participation of small business and minority owned businesses, a local governmental unit shall provide a mechanism either through the local governmental unit itself or through a third party, if a third party source is utilized to conduct the reverse auction, to facilitate participation of small and minority-owned businesses in a reverse auction.

(d) All bid responses received shall be made available publicly at the time and place identified in the invitation to bid. An award shall be made to the offeror determined to be the lowest responsible and responsive bidder at the close of the specified bid period. Each bid, with the name and address of the bidder, shall be recorded and the names of the bidders, the amounts of their bids, and the name of the successful bidder shall, after the award, be open to public inspection. All bids should be preserved for a period of five (5) years.

(e) Prior to the initial utilization of a reverse auction, the local governmental unit shall file a plan with the comptroller of the treasury. The plan shall indicate the technology to be utilized, whether a third party source will be utilized to conduct a reverse auction or auctions, a description of policies and procedures related to the implementation of the reverse auction process, and documentation of internal controls that will ensure the integrity of the process. Furthermore, the plan shall indicate whether

such a process will be implemented within the existing operating resources of the local governmental unit or indicate prior approval of the governing body of the local governmental unit if additional operating resources are needed.

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