

SENATE BILL 3656

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 4,
Chapter 56; Title 12, Chapter 4 and Title 12,
Chapter 3, relative to contract allowances.

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

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 4, Part 8, is amended by adding the following language as a new section:

12-4-803.

(a) As used in this section, "Tennessee business" means a business that is a continuing, independent, for profit business located in this state which performs a commercially useful function.

(b) The procurement commission shall promulgate rules authorizing a pilot project that will create allowance for Tennessee businesses in the evaluation of bids and proposals for state contracts effective January 1, 2013, to January 1, 2015.

(c) The allowance to be given to a Tennessee business shall not exceed five percent (5%) of the lowest responsive, responsible bidder meeting specifications. For contracts of more than one million dollars (\$1,000,000), the procurement commission may create a sliding scale allowance of four percent (4%) to two percent (2%) based on the value of the contract.

(d) The procurement office shall evaluate the pilot project at the end of the two-year period specified in subsection (b) to determine any additional costs the state incurred or any additional savings. The procurement office shall also determine whether additional jobs were created in this state due to giving allowances to Tennessee businesses. The chief procurement officer shall report

the office's findings to the state and local government committees of the senate and house of representatives by March 1, 2015.

SECTION 2. This act shall take effect January 1, 2013, the public welfare requiring it.