

1 **sealed bids; purchase of products of nonprofit**
2 **workshops; employee to assist in dealings with**
3 **nonprofit workshops.**

4 (a) A purchase of and contract for commodities, printing and
5 services shall be based, whenever possible, on competitive bids.

6 (b) The director shall solicit sealed bids for the purchase of
7 commodities and printing which is estimated to exceed \$25,000. No
8 spending unit shall issue a series of requisitions or divide or
9 plan procurements to circumvent this \$25,000 threshold or otherwise
10 avoid the use of sealed bids. Any spending unit which awards
11 multiple contracts for the same or similar commodity or service to
12 an individual vendor over any twelve-month period, the total value
13 of which exceeds \$25,000, shall file copies of all contracts
14 awarded to the vendor within the twelve preceding months with the
15 director immediately upon exceeding the \$25,000 limit, along with
16 a statement explaining how the multiple contract awards do not
17 circumvent the \$25,000 threshold. If the spending unit does not
18 immediately report to the director, the director may suspend the
19 purchasing authority of the spending unit until the spending unit
20 complies with the reporting requirement of this subsection. The
21 director may conduct a review of any spending unit to ensure
22 compliance with this subsection. Following a review, the director
23 shall complete a report summarizing his or her findings and forward

1 the report to the spending unit. In addition, the director shall
2 report to the Joint Committee on Government and Finance on January
3 1 and July 1 of each year the spending units which have reported
4 under this subsection and the findings of the director. The
5 director may not approve purchases made in violation of this
6 section.

7 (c) The director may permit bids by electronic transmission to
8 be accepted in lieu of sealed bids.

9 (d) Notwithstanding any other provision of law, the director
10 may permit the use of a reverse auction to purchase commodities if
11 the director determines that the use of a reverse auction would be
12 advantageous to the state. The director may not, however, use
13 reverse auctions for the procurement of services.

14 (1) For purposes of this subsection, "reverse auction" means
15 a process in which bidders compete to provide commodities in an
16 open and interactive environment, including the use of electronic
17 media; bids are opened and made public immediately; bidders are
18 given an opportunity to submit revised bids until the bidding
19 process is complete; and the bid is awarded to the lowest
20 responsible bidder.

21 (2) The director may contract with qualified, industry-
22 recognized third-party vendors to conduct reverse auctions on
23 behalf of the director.

1 (3) The director shall propose rules for legislative approval
2 in accordance with the provisions of article three, chapter twenty-
3 nine-a of this code for the implementation of the reverse auction
4 process and the qualification and selection of qualified, industry-
5 recognized third-party vendors to conduct reverse auctions on
6 behalf of the director. The director is also authorized to propose
7 emergency rules to implement the provisions of this subsection.

8 ~~(d)~~ (e) Bids shall be solicited by public notice. The notice
9 may be published by any advertising medium the director deems
10 advisable. The director may also solicit sealed bids by sending
11 requests by mail or electronic transmission to prospective vendors.

12 ~~(e)~~ (f) The director shall, without competitive bidding,
13 purchase commodities and services produced and offered for sale by
14 nonprofit workshops, as defined in section one, article one of this
15 chapter, which are located in this state: *Provided*, That such
16 commodities and services shall be of a fair market price and of
17 like quality comparable to other commodities and services otherwise
18 available as determined by the director with the advice of the
19 committee on the purchase of commodities and services from the
20 handicapped.

21 To encourage contracts for commodities and services with
22 nonprofit workshops, the director shall employ a person whose
23 responsibilities in addition to other duties ~~shall be~~ are to

1 identify all commodities and services available for purchase from
2 nonprofit workshops, to evaluate the need of the state for
3 commodities and services to coordinate the various nonprofit
4 workshops in their production efforts and to make available to such
5 workshops information about available opportunities within state
6 government for purchase of commodities or services which might be
7 produced and sold by such workshops. Funds to employ such a person
8 shall be included annually in the budget.

NOTE: The purpose of this bill is to allow the Director of the Purchasing Division to conduct reverse auctions to purchase commodities.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.