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To whom it may concern:

This letter serves as an addendum to the *Alabama Bid Law and Public Works Laws* booklet, dated December 14, 2014, issued by the Department of Examiners of Public Accounts. Act 2015-293, Acts of Alabama, amended Section 41-16-50 of the ***Code of Alabama, 1975***. Any references to this Code section in the *Alabama Competitive Bid Law and Public Works Laws* should be read in light of the changes indicated below.

The Alabama Competitive Bid Law was amended during the 2015 Regular Legislative Session by the passage of **Act 2015-293,** Acts of Alabama. The provisions of the ***Code of Alabama 1975***, Section 41-16-50, which were affected as a result of this legislation are listed below, with the **changes noted in red**.

> §41-16-50 (a) With the exception of contracts for public works whose competitive bidding requirements are governed exclusively by Title 39, all expenditure of funds of whatever nature for labor, services, work, or for the purchase of materials, equipment, supplies, or other personal property involving fifteen thousand dollars ($15,000) or more, and the lease of materials, equipment, supplies, or other personal property where the lessee is, or becomes legally and contractually, bound under the terms of the lease, to pay a total amount of fifteen thousand dollars ($15,000) or more, made by or on behalf of any state trade school, state junior college, state college, or university under the supervision and control of the State Board of Education, the district boards of education of independent school districts, the county commissions, the governing bodies of the municipalities of the state, and the governing boards of instrumentalities of counties and municipalities, including waterworks boards, sewer boards, gas boards, and other like utility boards and commissions, except as hereinafter provided, shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder. Prior to advertising for bids for an item of personal property **or services**, where a county, a municipality, or an instrumentality thereof is the awarding authority, the awarding authority may establish a local preference zone consisting of either the legal boundaries or jurisdiction of the awarding authority, or the boundaries of the county in which the awarding authority is located, or the boundaries of the Core Based Statistical Area (CBSA) in which the awarding authority is located. If no such action is taken by the awarding authority, the boundaries of the local preference zone shall be deemed to be the same as the legal boundaries or

jurisdiction of the awarding authority. In the event a bid is received for an item of personal property **or services** to be purchased or contracted for from a person, firm, or corporation deemed to be a responsible bidder, having a place of business within the local preference zone where the county, a municipality, or an instrumentality thereof is the awarding authority, and the bid is no more than **five** percent greater than the bid of the lowest responsible bidder, the awarding authority may award the contract to the resident responsible bidder. In the event only one bidder responds to the invitation to bid, the awarding authority may reject the bid and negotiate the purchase or contract, providing the negotiated price is lower than the bid price.

§41-16-50 **(d) Notwithstanding subsection (a), in the event the lowest bid for an item of personal property or services to be purchased or contracted for is received from a foreign entity, where the county, a municipality, or an instrumentality thereof is the awarding authority, the awarding authority may award the contract to responsible bidder whose bid is no more than 10 percent greater than the foreign entity if the bidder has a place of business within the local preference zone or is a responsible bidder from a business within the state that is a woman-owned enterprise, an enterprise of small business, as defined in Section 25-10-3, a minority-owned business enterprise, a veteran-owned business enterprise, or a disadvantaged-owned business enterprise. For the purposes of this subsection, "foreign entity" means a business entity that does not have a place of business within the state."**

Please contact us if you need additional information.

Sincerely,

Ronald L. Jones
CHIEF EXAMINER

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