

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021

A Bill

SENATE BILL 456

4
5 By: Senator G. Stubblefield
6 By: Representative L. Fite

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING COMPETITIVE
10 BIDDING AND PURCHASING PROCEDURES FOR COUNTIES AND
11 MUNICIPALITIES; AND FOR OTHER PURPOSES.

Subtitle

15 TO AMEND THE LAW CONCERNING COMPETITIVE
16 BIDDING AND PURCHASING PROCEDURES FOR
17 COUNTIES AND MUNICIPALITIES.

18
19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

21
22 SECTION 1. Arkansas Code § 14-22-102 is amended to read as follows:
23 14-22-102. Applicability.

24 (a) It is unlawful for ~~any a~~ county official to make ~~any purchases a~~
25 purchase with county funds in excess of ~~twenty thousand dollars (\$20,000)~~
26 thirty-five thousand dollars (\$35,000), unless the method of purchasing
27 prescribed ~~in~~ under this chapter is followed.

28 (b) This chapter ~~shall~~ does not apply to ~~any purchases a purchase~~
29 under ~~twenty thousand dollars (\$20,000)~~ thirty-five thousand dollars
30 (\$35,000) or to the purchase of commodities ~~set forth in~~ under § 14-22-106.

31 (c)(1) Beginning January 1, 2025, and on each January 1 at subsequent
32 five-year intervals, the amounts under subsections (a) and (b) of this
33 section shall be adjusted to reflect the percentage increase in the Consumer
34 Price Index for All Urban Consumers or its successor, as published by the
35 United States Department of Labor for the five (5) years immediately
36 preceding the percentage increase, and rounded to the nearest whole number.



1 (2) Following a percentage increase under subdivision (c)(1) of
 2 this section, the Department of Finance and Administration shall provide each
 3 county and Arkansas Legislative Audit with the percentage increase and the
 4 corresponding updated amounts under this section.

5
 6 SECTION 2. Arkansas Code § 14-22-104 is amended to read as follows:

7 14-22-104. Purchases permitted.

8 ~~All purchases of commodities~~ (a) A purchase of a commodity made by ~~any~~
 9 a county purchasing official with county funds, except those specifically
 10 exempted by this chapter, shall be made as follows:

11 (1) Formal bidding ~~shall be~~ is required in each instance in
 12 which the estimated purchase price ~~shall equal or exceed twenty thousand~~
 13 ~~dollars (\$20,000)~~ equals or exceeds thirty-five thousand dollars (\$35,000);

14 (2) ~~Open~~ An open market ~~purchases~~ purchase may be made of ~~any~~
 15 ~~commodities where~~ a commodity if the purchase price is less than ~~twenty~~
 16 ~~thousand dollars (\$20,000)~~ thirty-five thousand dollars (\$35,000); and

17 (3) ~~No~~ A purchasing official shall not parcel or split any items
 18 of commodities or estimates with the intent ~~or purpose~~ to change the
 19 classification or to enable the purchase to be made under a less restrictive
 20 procedure.

21 (b)(1) Beginning January 1, 2025, and on each January 1 at subsequent
 22 five-year intervals, the amount under subsection (a) of this section shall be
 23 adjusted to reflect the percentage increase in the Consumer Price Index for
 24 All Urban Consumers or its successor, as published by the United States
 25 Department of Labor for the five (5) years immediately preceding the
 26 percentage increase, and rounded to the nearest whole number.

27 (2) Following a percentage increase under subdivision (b)(1) of
 28 this section, the Department of Finance and Administration shall provide each
 29 county and Arkansas Legislative Audit with the percentage increase and the
 30 corresponding updated amounts under this section.

31
 32 SECTION 3. Arkansas Code § 14-22-106(17), concerning county commodity
 33 purchases exempted from bid solicitation, is amended to read as follows:

34 (17)(A) New motor vehicles purchased from a licensed automobile
 35 dealership located in Arkansas for an amount not to exceed the fleet price
 36 awarded by the Office of State Procurement and in effect at the time the

1 county submits the purchase order for the same make and model motor vehicle,
 2 which may include additional options that were available for bid and
 3 purchased under state contract at the state bid option price.

4 (B) The purchase amount for a new motor vehicle may
 5 include additional ~~options~~ after-market equipment that was not available
 6 under the state contract up to ~~six hundred dollars (\$600)~~ one thousand two
 7 hundred dollars (\$1,200) over the fleet price awarded;

8
 9 SECTION 4. Arkansas Code § 14-58-104 is amended to read as follows:

10 14-58-104. Specific purchases and contracts - Commodities.

11 ~~(a)~~ The ~~municipal~~ governing body of a city of the first class, city of
 12 the second class, or an incorporated town may purchase the following
 13 commodities without soliciting bids:

14 (1) ~~Motor fuels, oil, asphalt, asphalt oil, and natural gas; and~~

15 ~~(2) New motor vehicles from a motor vehicle dealer licensed~~
 16 ~~under the Arkansas Motor Vehicle Commission Act, § 23-112-101 et seq., if the~~
 17 ~~motor vehicle is purchased for an amount not to exceed the fleet price~~
 18 ~~awarded by the Office of State Procurement and in effect at the time the~~
 19 ~~municipal governing body of a city of the first class, city of the second~~
 20 ~~class, or an incorporated town submits the purchase order for the same make~~
 21 ~~and model motor vehicle.~~ Perishable foodstuffs for immediate use;

22 (2) Unprocessed feed for livestock and poultry;

23 (3) Advanced emergency medical services provided by a nonprofit
 24 corporation and proprietary medicines if specifically requested by a
 25 professional employee;

26 (4) Books, manuals, periodicals, films, and copyrighted
 27 educational aids for use in libraries and other informational material for
 28 institutional purposes;

29 (5) Scientific equipment and parts;

30 (6) Replacement parts and labor for repairs of machinery and
 31 equipment;

32 (7) Commodities available only from the United States
 33 Government;

34 (8)(A) Any commodities needed in instances in which an
 35 unforeseen and unavoidable emergency has arisen in which human life, health,
 36 or public property is in jeopardy.

1 (B) An emergency purchase under subdivision (8)(A) of this
2 section shall not be approved unless a statement in writing is attached to
3 the purchase order describing the emergency necessitating the purchase of the
4 commodity without competitive bidding;

5 (9) Utility services, purchased at wholesale or the rates for
6 which are subject to regulation by a state agency or a federal regulatory
7 agency;

8 (10) Sand, gravel, soil, lumber, used pipe, or used steel;

9 (11)(A) Used or secondhand motor vehicles, machinery, or
10 equipment.

11 (B) A used or secondhand motor vehicle that has been under
12 lease to a municipality and has fewer than five thousand (5,000) miles of use
13 shall not be purchased except upon competitive bids as provided in this
14 chapter;

15 (12) Machinery, equipment, facilities, or other personal
16 property purchased or acquired for or in connection with the securing and
17 developing of industry under the Municipalities and Counties Industrial
18 Development Revenue Bond Law, § 14-164-201 et seq., or any other provision of
19 law pertaining to the securing and developing of industry;

20 (13) Registered livestock to be used for breeding purposes;

21 (14) Motor fuels, oil, asphalt, asphalt oil, and natural gas;

22 (15) Motor vehicles, equipment, machinery, material, or supplies
23 offered for sale at public auction or through a process requiring sealed
24 bids;

25 (16) All goods and services that are regularly provided to state
26 agencies and municipal government by the Division of Correction's various
27 penal industries;

28 (17)(A) New motor vehicles purchased from a licensed automobile
29 dealership located in Arkansas for an amount not to exceed the fleet price
30 awarded by the Office of State Procurement and in effect at the time the
31 municipality submits the purchase order for the same make and model motor
32 vehicle.

33 (B) The purchase amount for a new motor vehicle may
34 include additional options up to six hundred dollars (\$600) over the fleet
35 price awarded;

36 (18) Renewal or extension of the term of an existing contract;

1 (19) Purchase of insurance for municipal employees, including
 2 without limitation health insurance, workers' compensation insurance, life
 3 insurance, risk management services, or dental insurance;

4 (20) Goods or services if the governing body has approved by
 5 resolution the purchase of goods or services through competitive bidding or
 6 procurement procedures used by:

7 (A) The United States Government or one (1) of its
 8 agencies;

9 (B) Another state; or

10 (C) An association of governments or governmental
 11 agencies, including associations of governments or governmental agencies
 12 below the state level; and

13 (21)(A) Goods or services available only from a single source.

14 (B) A purchase under this subdivision (21) shall be
 15 supported with:

16 (i) Documentation concerning the exclusivity of the
 17 single source; and

18 (ii) A written proclamation from the chief executive
 19 filed with the clerk or recorder that sets forth the basis for the single
 20 source procurement.

21 ~~(b) The municipal governing body of a city of the first class, city of~~
 22 ~~the second class, or an incorporated town may renew or extend the term of an~~
 23 ~~existing contract without soliciting bids.~~

24
 25 SECTION 5. Arkansas Code § 14-58-303(b), concerning municipal
 26 purchases and contracts, is amended to read as follows:

27 (b)(1)(A) Except as provided under § 14-58-104, the ~~municipal~~
 28 governing body of any city of the first class shall provide by ordinance the
 29 procedure for making all purchases ~~which that~~ do not exceed the sum of ~~twenty~~
 30 ~~thousand dollars (\$20,000)~~ thirty-five thousand dollars (\$35,000).

31 (B) Except as provided under § 14-58-104, the ~~municipal~~
 32 governing body of any city of the second class or incorporated town may
 33 provide by ordinance the procedure for making all purchases.

34 (2)(A)(i) Except as provided under § 14-58-104, in a city of the
 35 first class ~~where in which~~ the amount of expenditure for any purpose or
 36 contract exceeds the sum of ~~twenty thousand dollars (\$20,000)~~ thirty-five

1 thousand dollars (\$35,000), the mayor or the mayor's authorized
 2 representative shall invite competitive bidding on the purpose or contract by
 3 legal advertisement in any local newspaper.

4 (ii) Bids received pursuant to the advertisement
 5 shall be opened and read on the date set for receiving the bids in the
 6 presence of the mayor or the mayor's authorized representative.

7 (iii) The mayor or the mayor's authorized
 8 representative ~~shall have~~ has exclusive power to award the bid to the lowest
 9 responsible bidder, ~~but~~ and may reject any and all bids received.

10 (B) The governing body by ~~ordinance~~ resolution may waive
 11 the requirements of competitive bidding in exceptional situations where this
 12 procedure is deemed not feasible or practical or as provided under § 14-58-
 13 104.

14 (C) Cities of the first class, cities of the second class,
 15 and incorporated towns may accept competitive bids in the following forms:

- 16 (i) Written; or
- 17 (ii) Electronic media.

18 (3)(A) Beginning January 1, 2025, and on each January 1 at
 19 subsequent five-year intervals, the amounts under this subdivision shall be
 20 adjusted to reflect the percentage increase in the Consumer Price Index for
 21 All Urban Consumers or its successor, as published by the United States
 22 Department of Labor for the five (5) years immediately preceding the
 23 percentage increase, and rounded to the nearest whole number.

24 (B) Following a percentage increase under subdivision
 25 (c)(1) of this section, the Department of Finance and Administration shall
 26 provide each city of the first class and Arkansas Legislative Audit with the
 27 percentage increase and the corresponding updated amounts under this section.

28
 29 SECTION 6. Arkansas Code § 14-58-304 is amended to read as follows:
 30 14-58-304. Purchase of insurance.

31 ~~The~~ Except as provided under § 14-58-104, the purchase of all types of
 32 insurance by cities of the first class, cities of the second class, or
 33 incorporated towns shall be ~~is~~ governed by ~~the provisions of~~ § 14-58-303.

34
 35 SECTION 7. Arkansas Code § 14-58-305(a), concerning municipal payment
 36 of claims, is amended to read as follows:

1 (a) In a city of the first class, city of the second class, or
2 incorporated town, the mayor or his duly authorized representative may
3 approve or disapprove for payment out of funds previously appropriated for
4 that purpose, ~~or disapprove, any bills, debts, or liabilities asserted as~~
5 legal claims asserted or brought against the city or town.

6
7 SECTION 8. Arkansas Code § 14-58-303 is amended to read as follows:
8 14-58-308. Bonds of officers and employees.

9 (a) All officers and employees of a city of the first class, city of
10 the second class, or incorporated town handling financial matters for the
11 city or town shall furnish a fidelity bond in such amount, on such form, and
12 with such security as may be approved by the municipal governing body.

13 (b) The premiums on these bonds shall be paid by the city or town.

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16 **APPROVED: 3/24/21**
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