

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 1957 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H3/31/05

A Bill

HOUSE BILL 1814

5 By: Representatives Reep, Overbey
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8 **For An Act To Be Entitled**

9 AN ACT TO ALLOW CITIES AND TOWNS THE OPTION OF
10 REVERSE INTERNET AUCTIONS FOR THE PURCHASE OF
11 GOODS AND SERVICES; AND FOR OTHER PURPOSES.
12

13 **Subtitle**

14 AN ACT TO ALLOW CITIES AND TOWNS THE
15 OPTION OF REVERSE INTERNET AUCTIONS FOR
16 THE PURCHASE OF GOODS AND SERVICES.
17
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 14-58-303 is amended to add an additional
22 subsection to read as follows:

23 (c)(1) In a city of the first class, a city of the second class, or an
24 incorporated town, the governing body by ordinance shall have the option to
25 make purchases by participation in a reverse Internet auction, except that
26 purchases and contracts for construction projects and materials shall be
27 undertaken pursuant to §§ 14-58-303(a) and (b) and 22-9-203.

28 (2) The ordinance shall include, but is not limited, to the
29 following procedures:

30 (A) Bidders shall be provided instructions and
31 individually secured passwords for access to the reverse Internet auction by
32 either the city, town, or reverse Internet auction vendor;

33 (B) The bidding process shall be timed, and the time shall
34 be part of the reverse Internet auction specifications;

35 (C) The reverse Internet auction shall be held at a



1 specific date and time;

2 (D) The reverse Internet auction and bidding process shall
3 be interactive with each bidder able to make multiple bids during the
4 allotted time;

5 (E) Each bidder shall be continually signaled his or her
6 relative position in the bidding process;

7 (F) Bidders shall remain anonymous and shall not have
8 access to other bidders or bids; and

9 (G) The governing body shall have access to real-time data
10 including all bids and bid amounts.

11 (3) The governing body may create by an additional ordinance
12 reverse Internet auction specifications for the anticipated purchase of a
13 specific item or purchase.

14 (4)(A) The governing body is authorized to pay a reasonable fee
15 to the reverse Internet auction vendor.

16 (B) The fee may be included as part of the bids received
17 during the reverse Internet auction and paid by the winning bidder or paid
18 separately by the governing body.

19 (5) The governing body retains the right to:

20 (A) Refuse all bids made during the reverse Internet
21 auction; and

22 (B) Begin the reverse Internet auction process anew if the
23 governing body determines it is in the best interest of the city or town.

24 (d) For purposes of this section:

25 (1) "Reverse Internet auction" means an Internet-based process
26 in which bidders:

27 (A) Are given specifications for items and services being
28 sought for purchase by a municipality; and

29 (B) Bid against themselves in order to lower the price of
30 the item or service to the lowest possible level; and

31 (2) "Reverse Internet auction vendor" means an Internet-based
32 entity that hosts a reverse Internet auction.

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34 */s/ Reep, et al*

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APPROVED: 04/11/2005