

Department of Finance and Administration

Legislative Impact Statement

Bill: SB54

As Engrossed: 3/4/2013

Bill Subtitle: TO REQUIRE THE USE OF AMERICAN-MANUFACTURED IRON AND STEEL IN THE CONSTRUCTION, RECONSTRUCTION, ALTERATION, AND IMPROVEMENT OF PUBLIC BUILDINGS AND PUBLIC WORKS.

Basic Change :

Sen. Teague,

This is an amendment to SB54, the Arkansas Buy American Act, which completely rewrites the bill. The bill relates to the procurement of American manufactured iron and steel, used to construct or renovate all public buildings or public works projects.

Revenue Impact :

None

Taxpayer Impact :

Resources Required :

Time Required :

Procedural Changes :

Other Comments :

The Office of State Procurement thinks this amendment substantially improves the bill as originally introduced. Most of OSP's initial concerns have been addressed.

Legal Analysis :

The bill and amendment requires all public entities (state entities including higher education, public schools, cities, counties, airports, public transit systems) to include in contract specifications that only American-made construction materials are to be used in public works that are comprised "wholly or predominantly" ("predominantly" being defined in the bill as more than 50% of the materials based on cost) of iron or steel. This amendment removes the language in the original bill regarding "manufactured products."

All entities entering into contracts for capital improvements exceeding \$20,000 are mandated to follow the bill requirements. Waivers from this requirement can be issued by an executive head of an agency if the requirement is determined not to be in the best interests of the state; if the products are not produced in sufficient or reasonably available in satisfactory quantity and quality; or the costs of the iron or steel construction material (as opposed to the overall project cost as in the original bill) would be increased by more than 25%. The amendment removes the 30-day public comment period before a waiver could be granted as contained in the original bill.

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The amendment also changes the section relating to violations by changing the possible remedies and removing the original bill's language regarding possible debarment of a vendor in violation. Finally, the amendment gives various state agencies, including the Office of State Procurement, rule-making authority with respect to contracts or public works within those agencies' jurisdictions.