

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.

State of Arkansas  
85th General Assembly  
Regular Session, 2005

As Engrossed: H3/31/05

## A Bill

HOUSE BILL 1814

By: Representatives Reep, Overbey

### For An Act To Be Entitled

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

### Subtitle

AN ACT TO ALLOW CITIES AND TOWNS THE  
OPTION OF REVERSE INTERNET AUCTIONS FOR  
THE PURCHASE OF GOODS AND SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 14-58-303 is amended to add an additional subsection to read as follows:

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

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

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

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

(C) The reverse Internet auction shall be held at a specific date and time;



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

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

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

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

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

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

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

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

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

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

23                  (d) For purposes of this section:

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

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

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

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

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33                                   /s/ Reep, et al  
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