

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1318

By: Representative Cavanaugh
By: Senator J. Bryant

For An Act To Be Entitled

AN ACT CONCERNING THE ALLOWABLE BASES FOR BIDS FOR
CERTAIN MUNICIPAL PURCHASES AND CONTRACTS; AND FOR
OTHER PURPOSES.

Subtitle

CONCERNING THE ALLOWABLE BASES FOR BIDS
FOR CERTAIN MUNICIPAL PURCHASES AND
CONTRACTS.

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

SECTION 1. Arkansas Code § 14-58-303(b)(2)(A), concerning municipal
purchases and contracts, is amended to read as follows:

(2)(A)(i) Except as provided under § 14-58-104, in a city of the
first class in which the amount of expenditure for any purpose or contract
exceeds the sum of thirty-five thousand dollars (\$35,000), the mayor or the
mayor's authorized representative shall invite competitive bidding on the
purpose or contract by legal advertisement in any local newspaper.

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

(iii) The mayor or the mayor's authorized
representative has exclusive power to award the bid to the lowest responsible
bidder, subject to the provisions in subdivision (b)(2)(A)(iv) of this
section, and may reject any and all bids received.

(iv) For the purchase of supplies, apparatus,



equipment, materials, and other items under this subdivision (b)(2), the city may base its award on the following:

- (a) The lowest immediate cost;
- (b) The lowest demonstrated life cycle cost;
- (c) The lowest demonstrated term costs; or
- (d) A combination of the lowest immediate cost, the lowest demonstrated life cycle cost, and the lowest demonstrated term costs.

SECTION 2. Arkansas Code § 14-58-303(d), concerning municipal purchases and contracts, is amended to read as follows:

(d) ~~For purposes of~~ As used in this section:

(1) "Lowest demonstrated life cycle cost" means the cost of an asset as credibly established by a bidder over the life cycle of the asset, taking into consideration the asset's initial capital costs, maintenance costs, operating costs, and residual value at the end of the life of the asset;

(2) "Lowest demonstrated term cost" means the cost of an asset as credibly established by a bidder over a portion of the life cycle of the asset, taking into consideration the asset's initial capital costs, maintenance costs, and operating costs during the portion of the life cycle of the asset;

(3) "Lowest responsible bidder" means the bidder who offers trustworthiness and responsibility concerning the subject purchase and whose bid offers the lowest cost to the city under subdivision (b)(2)(A) of this section;

(4) "Reverse internet auction" means an internet-based process in which bidders:

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

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

~~(2)(5)~~ "Reverse internet auction vendor" means an internet-based entity that hosts a reverse internet auction.