

House Bill 200

By: Representative Bridges of the 7<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 50-5-60 of the Official Code of Georgia Annotated, relating to  
2 preferences to supplies, equipment, materials, and printing produced in Georgia generally,  
3 so as to define certain terms; to provide for a preference in state purchasing contracts for  
4 vendors who are residents of Georgia or for products of Georgia; to provide for application;  
5 to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 50-5-60 of the Official Code of Georgia Annotated, relating to preferences to  
9 supplies, equipment, materials, and printing produced in Georgia generally, is amended by  
10 striking in its entirety subsection (b) and inserting in lieu thereof the following:

11 ~~“(b) Vendors resident in the State of Georgia are to be granted the same preference over~~  
12 ~~vendors resident in another state in the same manner, on the same basis, and to the same~~  
13 ~~extent that preference is granted in awarding bids for the same goods or services by such~~  
14 ~~other state to vendors resident therein over vendors resident in the State of Georgia. As~~  
15 ~~used in this subsection, unless the context indicates otherwise, the term:~~

16 (1) 'End- product' means the item sought by the state and described in the solicitation  
17 including all component parts and in final form and ready for the use intended by the  
18 state.

19 (2) 'Grown' means to produce, cultivate, raise, or harvest timber, agricultural produce,  
20 or livestock on the land, or to cultivate, raise, catch, or harvest products or food from the  
21 water which results in an end-product that is locally derived from the product cultivated,  
22 raised, caught, or harvested.

23 (3) 'Made' means to assemble, fabricate, or process component parts into a finished  
24 end-product, the value of which assembly, fabrication or processing is a significant  
25 portion of the value of the finished end-product.

1 (4) 'Manufacture' means to make or process raw materials into a finished end-product.

2 (5) 'Resident vendor' means a vendor who:

3 (A) Is an individual, partnership, association, or corporation that is authorized to  
4 transact business within this state;

5 (B) Maintains an office in this state;

6 (C) Maintains an inventory for expendable items which are representative of the  
7 general type of commodities on which the bid is submitted and located in Georgia at  
8 the time of the bid having a total value of \$10,000.00 or more based on the bid price,  
9 but not to exceed the amount of the contract, or is a manufacturer which is  
10 headquartered and has at least a \$10 million payroll in Georgia and the product is made  
11 or processed from raw materials into a finished end-product by such manufacturer or  
12 an affiliate, as defined in Section 1563 of the Internal Revenue Code, of such  
13 manufacturer; and

14 (D) Has paid all assessed taxes.

15 (6) 'State' means the State of Georgia and all departments, agencies, and authorities  
16 thereof.

17 (7) 'Unreasonable Cost' means the cost of an item from a resident vendor or an  
18 end-product made, manufactured, or grown in Georgia which exceeds by more than  
19 7 percent the lowest qualified bid on the same item or end-product which is made,  
20 manufactured, or grown in other states or in a foreign country or territory.

21 (c) A preference of 7 percent in all competitive procurements made by the state must be  
22 provided to vendors who are residents of Georgia or whose products are made,  
23 manufactured, or grown in Georgia if available, provided that:

24 (1) The bidder has certified in writing in the bid that he or she is resident to this state, or

25 (2) The bidder has certified in writing in the bid that the end-product was made,  
26 manufactured, or grown in Georgia and the end-product is available and the cost of the  
27 end-product is not unreasonable.

28 In order to receive the award, the vendor must be a responsible and responsive bidder and  
29 the bid must otherwise comply with all applicable laws and regulations.

30 (d) In the case of a request for resident vendor status, the requirement of this subsection  
31 shall apply to the entire solicitation. In the case of a request for end-product status, the  
32 requirement of this subsection shall apply to each line item or each lot in a solicitation to  
33 which a separate, responsive bid may be made.

34 (e) If a vendor qualifies as a resident vendor as provided in paragraph (1) of subsection (c)  
35 of this Code section and is bidding a product made, manufactured, or grown in Georgia as  
36 provided in paragraph (2) of subsection (c) of this Code section, an additional 3 percent  
37 preference must be given if claimed by the bidder."

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**SECTION 2.**

2 All laws and parts of laws in conflict with this Act are repealed.