

The Senate Government Oversight Committee offered the following substitute to SB 44:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 10 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,  
2 relating to contracts and purchases by public schools, so as to provide contractual and  
3 purchasing preferences for certain supplies, materials, equipment, and agricultural products  
4 manufactured or produced in this state; to amend Title 36 of the Official Code of Georgia  
5 Annotated, relating to local government, so as to provide contractual and purchasing  
6 preferences for certain supplies, materials, equipment, and agricultural products  
7 manufactured or produced in this state; to amend Part 1 of Article 3 of Chapter 5 of Title 50  
8 of the Official Code of Georgia Annotated, relating to general authority, duties, and  
9 procedure relative to government purchasing, so as to provide contractual and purchasing  
10 preferences for certain supplies, materials, equipment, and agricultural products  
11 manufactured or produced in this state; to provide for applicability; to repeal conflicting  
12 laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 **SECTION 1.**

15 Article 10 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to  
16 contracts and purchases by public schools, is amended by revising Code Section 20-2-500,  
17 relating to promulgation of rules and regulations by the State Board of Education for  
18 contracts or purchases over \$100.00, as follows:

19 "20-2-500.

20 (a) The State Board of Education is authorized to promulgate rules and regulations to  
21 regulate contracts or purchases which involve the aggregate sum of \$100.00 or more for  
22 or on behalf of students of any public elementary or secondary school supported in whole  
23 or in part from public funds.

24 (b)(1) Such rules shall provide that such contracts for or purchases of supplies, materials,  
25 equipment, or agricultural products, including but not limited to school buses but not

26 including instructional materials or beverages for immediate consumption, for public  
 27 elementary and secondary schools supported in whole or in part from public funds shall  
 28 give preference as far as may be reasonable and practicable to such supplies, materials,  
 29 equipment, and agricultural products as may be manufactured or produced in this state.  
 30 Such preference shall not sacrifice quality.

31 (2) Such rules shall provide that, in determining whether such a preference is reasonable  
 32 in any case where the value of a contract for or purchase of such supplies, materials,  
 33 equipment, or agricultural products exceeds \$100,000.00, the local school district shall  
 34 consider, among other factors, information submitted by the bidder which may include  
 35 the bidder's estimate of the multiplier effect on gross state domestic product and the effect  
 36 on public revenues of the state and the effect on public revenues of political subdivisions  
 37 resulting from acceptance of a bid or offer to sell Georgia manufactured or produced  
 38 goods as opposed to out-of-state manufactured or produced goods. Any such estimates  
 39 shall be in writing. No local school district shall divide a contract or purchase which  
 40 exceeds \$100,000.00 for the purpose of avoiding the requirements of this paragraph.

41 (c) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

42 **SECTION 2.**

43 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended  
 44 by revising Chapter 84 in its entirety as follows:

45 "CHAPTER 84

46 ~~36-84-1.~~

47 ~~Reserved.~~

48 ~~36-84-2.~~

49 ~~Reserved.~~

50 36-84-1.

51 (a) As used in this Code section, the term 'local government' means a county, municipality,  
 52 or consolidated government.

53 (b) Local governments, when contracting for or purchasing supplies, materials, equipment,  
 54 or agricultural products, excluding beverages for immediate consumption, shall give  
 55 preference as far as may be reasonable and practicable to such supplies, materials,  
 56 equipment, and agricultural products as may be manufactured or produced in this state.  
 57 Such preference shall not sacrifice quality.

58 (c) In determining whether such a preference is reasonable in any case where the value of  
 59 a contract for or purchase of such supplies, materials, equipment, or agricultural products  
 60 exceeds \$100,000.00, the local government shall consider, among other factors,  
 61 information submitted by the bidder which may include the bidder's estimate of the  
 62 multiplier effect on gross state domestic product and the effect on public revenues of the  
 63 state and the effect on public revenues of political subdivisions resulting from acceptance  
 64 of a bid or offer to sell Georgia manufactured or produced goods as opposed to out-of-state  
 65 manufactured or produced goods. Any such estimates shall be in writing. No local  
 66 government shall divide a contract or purchase which exceeds \$100,000.00 for the purpose  
 67 of avoiding the requirements of this subsection.

68 (d) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

69

### SECTION 3.

70 Part 1 of Article 3 of Chapter 5 of Title 50 the Official Code of Georgia Annotated, relating  
 71 to general authority, duties, and procedure relative to government purchasing, is amended  
 72 by revising Code Section 50-5-60, relating to preference to supplies, equipment, materials,  
 73 and printing produced in Georgia generally, as follows:

74 "50-5-60.

75 ~~(a) It shall be the duty of the Department of Administrative Services, in the purchase of~~  
 76 ~~and in contracting for any supplies, materials, equipment, and printing, to give preference~~  
 77 ~~as far as may be reasonable and practicable to such materials, supplies, equipment, and~~  
 78 ~~printing as may be manufactured or produced in this state. It is the intention of this~~  
 79 ~~subsection that the state use, insofar as is practicable, Georgia products and Georgia labor;~~  
 80 ~~provided, however, that in giving such preference no sacrifice or loss in price or quality~~  
 81 ~~shall be permitted; and provided, further, that preference in all cases shall be given to~~  
 82 ~~surplus products or articles produced or manufactured by other state departments,~~  
 83 ~~institutions, or agencies, which are available for distribution.~~

84 (a) The state and any department, agency, or commission thereof, when contracting for or  
 85 purchasing supplies, materials, equipment, or agricultural products, excluding beverages  
 86 for immediate consumption, shall give preference as far as may be reasonable and  
 87 practicable to such supplies, materials, equipment, and agricultural products as may be  
 88 manufactured or produced in this state. Such preference shall not sacrifice quality.

89 (b) Vendors resident in the State of Georgia are to be granted the same preference over  
 90 vendors resident in another state in the same manner, on the same basis, and to the same  
 91 extent that preference is granted in awarding bids for the same goods or services by such  
 92 other state to vendors resident therein over vendors resident in the State of Georgia.

93 (c) In determining whether such a preference is reasonable in any case where the value of  
 94 a contract for or purchase of such supplies, materials, equipment, or agricultural products  
 95 exceeds \$100,000.00, the state or its department, agency, or commission shall consider,  
 96 among other factors, information submitted by the bidder which may include the bidder's  
 97 estimate of the multiplier effect on gross state domestic product and the effect on public  
 98 revenues of the state and the effect on public revenues of political subdivisions resulting  
 99 from acceptance of a bid or offer to sell Georgia manufactured or produced goods as  
 100 opposed to out-of-state manufactured or produced goods. Any such estimates shall be in  
 101 writing. The state or its department, agency, or commission shall not divide a contract or  
 102 purchase which exceeds \$100,000.00 for the purpose of avoiding the requirements of this  
 103 subsection.  
 104 (d) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

105 **SECTION 4.**

106 Said part is further amended by revising Code Section 50-5-61, relating to state and local  
 107 authority preferences for supplies, materials, equipment, and agricultural products produced  
 108 in Georgia, as follows:

109 "50-5-61.

110 (a) State and local authorities created by law, in the purchase of and contracting for any  
 111 supplies, materials, equipment, and agricultural products, excluding beverages for  
 112 immediate consumption, shall give preference as far as may be reasonable and practicable  
 113 to such ~~materials~~, supplies, materials, equipment, and agricultural products as may be  
 114 manufactured or produced in this state. Such preference shall not sacrifice ~~price~~ or quality.

115 (b) In determining whether such a preference is reasonable in any case where the value of  
 116 a contract for or purchase of such supplies, materials, equipment, or agricultural products  
 117 exceeds \$100,000.00, the state or local authority shall consider, among other factors,  
 118 information submitted by the bidder which may include the bidder's estimate of the  
 119 multiplier effect on gross state domestic product and the effect on public revenues of the  
 120 state and the effect on public revenues of political subdivisions resulting from acceptance  
 121 of a bid or offer to sell Georgia manufactured or produced goods as opposed to out-of-state  
 122 manufactured or produced goods. Any such estimates shall be in writing. No state or local  
 123 authority shall divide a contract or purchase which exceeds \$100,000.00 for the purpose  
 124 of avoiding the requirements of this subsection.

125 (c) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

126

**SECTION 5.**

127

Said part is further amended by revising Code Section 50-5-62, relating to state preferences for local sellers of Georgia products, as follows:

128

129

"50-5-62.

130

~~The Department of Administrative Services, in awarding of contracts, all things being equal, shall give preference to local sellers of Georgia products when it is possible to do so, the interest of the state is not sacrificed, and the quality and prices permit it. Reserved."~~

131

132

133

**SECTION 6.**

134

This Act shall not be applied to impair an obligation of any contract entered into prior to the date this Act becomes effective.

135

136

**SECTION 7.**

137

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