

House Bill 881

By: Representatives Murphy of the 120<sup>th</sup>, Neal of the 75<sup>th</sup>, Williams of the 165<sup>th</sup>, Drenner of the 86<sup>th</sup>, Fullerton of the 151<sup>st</sup>, and others

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; Title 36 of the Official Code of  
3 Georgia Annotated, relating to local government; and Part 1 of Article 3 of Chapter 5 of Title  
4 50 of the Official Code of Georgia Annotated, relating to general authority, duties, and  
5 procedure relative to government purchasing, so as to modify provisions relating to  
6 contractual and purchasing preferences for Georgia service providers and certain supplies,  
7 materials, equipment, and agricultural products grown, manufactured, or produced in this  
8 state; to provide for related matters; to provide for applicability; to repeal conflicting laws;  
9 and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

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

16 "20-2-500.

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

21 (b)(1) Such rules shall provide that such contracts for services or purchases of supplies,  
22 materials, equipment, or agricultural products, including but not limited to school buses  
23 but not including instructional materials or beverages for immediate consumption, for  
24 public elementary and secondary schools supported in whole or in part from public funds  
25 shall give preference ~~as far as may be reasonable and practicable~~ to such providers of  
26 services located in this state or employing Georgia residents and preference to supplies,

27 materials, equipment, and agricultural products as may be available, manufactured, or  
 28 produced in this state. Such preference shall not sacrifice quality.

29 ~~(2) Such rules shall provide that, in determining whether such a preference is reasonable~~  
 30 ~~in any case where the value of a contract for or purchase of such supplies, materials,~~  
 31 ~~equipment, or agricultural products exceeds \$100,000.00, the local school district shall~~  
 32 ~~consider, among other factors, information submitted by the bidder which may include~~  
 33 ~~the bidder's estimate of the multiplier effect on gross state domestic product and the effect~~  
 34 ~~on public revenues of the state and the effect on public revenues of political subdivisions~~  
 35 ~~resulting from acceptance of a bid or offer to sell Georgia manufactured or produced~~  
 36 ~~goods as opposed to out-of-state manufactured or produced goods. Any such estimates~~  
 37 ~~shall be in writing. No local school district shall divide a contract or purchase which~~  
 38 ~~exceeds \$100,000.00 for the purpose of avoiding the requirements of this paragraph.~~  
 39 Such rules shall require that a local school or school district, when issuing a request for  
 40 a competitive bid, shall state in such bid request and place the bidding contractors on  
 41 notice that the school or school district shall consider information relating to the effects  
 42 on employment within this state. Before any bid shall be considered, the bid shall include  
 43 an employment impact statement. An employment impact statement shall contain  
 44 information related to the employment impact to this state. Such statement shall include:

45 (A) The number of jobs expected to be created in this state or the number of jobs  
 46 expected to be retained that might otherwise be lost if the contract is awarded to another  
 47 contractor;

48 (B) The number of jobs expected to be created in this state or the number of jobs  
 49 expected to be retained that might otherwise be lost if the contract is awarded to another  
 50 contractor by the subcontractors expected to be used by the contractor in the  
 51 performance of the contract; and

52 (C) A guarantee from the contractor that, as a condition of such contract, the jobs  
 53 created or retained in this state shall not be moved outside of this state during the  
 54 duration of the contract.

55 The school or school district considering bid proposals shall require from the bidder such  
 56 information as needed to substantiate any claim by a bidder that jobs will be created or  
 57 retained in this state.

58 ~~(c) Vendors resident in the State of Georgia are to be granted the same preference over~~  
 59 ~~vendors resident in another state in the same manner, on the same basis, and to the same~~  
 60 ~~extent that preference is granted in awarding bids for the same goods or services by such~~  
 61 ~~other state to vendors resident therein over vendors resident in the State of Georgia.~~

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



98 (3) A guarantee from the contractor that, as a condition of such contract, the jobs created  
 99 or retained in this state shall not be moved outside of this state during the duration of the  
 100 contract.

101 The local government agency considering bid proposals shall require from the bidder such  
 102 information as needed to substantiate any claim by a bidder that jobs will be created or  
 103 retained in this state.

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

105 **SECTION 3.**

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

110 "50-5-60.

111 (a) The state and any department, agency, or commission thereof, when contracting for  
 112 services or purchasing supplies, materials, equipment, or agricultural products, excluding  
 113 beverages for immediate consumption, shall give preference ~~as far as may be reasonable~~  
 114 ~~and practicable~~ to such providers of services located in this state or employing Georgia  
 115 residents and preference to supplies, materials, equipment, and agricultural products as may  
 116 be available, manufactured, or produced in this state. Such preference shall not sacrifice  
 117 quality.

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

122 ~~(c) In determining whether such a preference is reasonable in any case where the value of~~  
 123 ~~a contract for or purchase of such supplies, materials, equipment, or agricultural products~~  
 124 ~~exceeds \$100,000.00, the state or its department, agency, or commission shall consider,~~  
 125 ~~among other factors, information submitted by the bidder which may include the bidder's~~  
 126 ~~estimate of the multiplier effect on gross state domestic product and the effect on public~~  
 127 ~~revenues of the state and the effect on public revenues of political subdivisions resulting~~  
 128 ~~from acceptance of a bid or offer to sell Georgia manufactured or produced goods as~~  
 129 ~~opposed to out-of-state manufactured or produced goods. Any such estimates shall be in~~  
 130 ~~writing. The state or its department, agency, or commission shall not divide a contract or~~  
 131 ~~purchase which exceeds \$100,000.00 for the purpose of avoiding the requirements of this~~  
 132 ~~subsection. Any agency, when issuing a request for a competitive bid, shall state in such~~  
 133 bid request and place the bidding contractors on notice that the agency shall consider

134 information relating to the effects on employment within this state. Before any bid shall  
 135 be considered, the bid shall include an employment impact statement. An employment  
 136 impact statement shall contain information related to the potential employment impact to  
 137 this state. Such statement shall include:

138 (1) The number of jobs expected to be created in this state should the bid be awarded to  
 139 the contractor and the number of jobs expected to be retained that might otherwise be lost  
 140 if the contract is awarded to another contractor;

141 (2) The number of jobs expected to be created in this state should the bid be awarded to  
 142 the contractor or the number of jobs expected to be retained that might otherwise be lost  
 143 if the contract is awarded to another contractor by the subcontractors expected to be used  
 144 by the contractor in the performance of the contract; and

145 (3) A guarantee from the contractor that, as a condition of such contract, the jobs created  
 146 or retained in this state shall not be moved outside of this state during the duration of the  
 147 contract.

148 The agency considering bid proposals shall require from the bidder such information as  
 149 needed to substantiate any claim by a bidder that jobs will be created or retained in this  
 150 state.

151 ~~(d)~~(c) Nothing in this Code section shall negate the requirements of Code Section 50-5-7."

152 **SECTION 4.**

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

156 "50-5-61.

157 (a) State and local authorities created by law, ~~in the purchase of and~~ when contracting for  
 158 ~~any services or purchasing~~ supplies, materials, equipment, ~~and~~ or agricultural products,  
 159 excluding beverages for immediate consumption, shall give preference ~~as far as may be~~  
 160 ~~reasonable and practicable~~ to such providers of services located in this state or employing  
 161 Georgia residents and preference to supplies, materials, equipment, and agricultural  
 162 products as may be available, manufactured, or produced in this state. Such preference  
 163 shall not sacrifice quality.

164 (b) ~~In determining whether such a preference is reasonable in any case where the value of~~  
 165 ~~a contract for or purchase of such supplies, materials, equipment, or agricultural products~~  
 166 ~~exceeds \$100,000.00, the state or local authority shall consider, among other factors,~~  
 167 ~~information submitted by the bidder which may include the bidder's estimate of the~~  
 168 ~~multiplier effect on gross state domestic product and the effect on public revenues of the~~  
 169 ~~state and the effect on public revenues of political subdivisions resulting from acceptance~~

170 of a bid or offer to sell Georgia manufactured or produced goods as opposed to out-of-state  
 171 manufactured or produced goods. ~~Any such estimates shall be in writing. No state or local~~  
 172 ~~authority shall divide a contract or purchase which exceeds \$100,000.00 for the purpose~~  
 173 ~~of avoiding the requirements of this subsection. Any state or local authority, when issuing~~  
 174 a solicitation for a competitive bid, shall state in such bid request and place the bidding  
 175 contractors on notice that the state or local authority shall consider information relating to  
 176 the effects on employment within this state. Before any bid shall be considered, the bid  
 177 shall include an employment impact statement. An employment impact statement shall  
 178 contain information related to the potential employment impact to this state. Such  
 179 statement shall include:

180 (1) The number of jobs expected to be created in this state should the bid be awarded to  
 181 the contractor and the number of jobs expected to be retained that might otherwise be lost  
 182 if the contract is awarded to another contractor;

183 (2) The number of jobs expected to be created in this state should the bid be awarded  
 184 to the contractor or the number of jobs expected to be retained that might otherwise be  
 185 lost if the contract is awarded to another contractor by the subcontractors expected to be  
 186 used by the contractor in the performance of the contract; and

187 (3) A guarantee from the contractor that, as a condition of such contract, the jobs created  
 188 or retained in this state will not be moved outside of this state during the duration of the  
 189 contract.

190 The state or local authority considering bid proposals shall require from the bidder such  
 191 information as needed to substantiate any claim by a bidder that jobs will be created or  
 192 retained in this state.

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

## 194 SECTION 5.

195 Said part is further amended by revising Code Section 50-5-62, which is reserved, as follows:  
 196 "50-5-62.

197 ~~Reserved.~~

198 The Department of Administrative Services, in awarding all contracts, shall give preference  
 199 to:

200 (1) Sellers of products produced, grown, or manufactured in Georgia;

201 (2) Sellers who maintain a business located in Georgia;

202 (3) Providers of services who are located in this state, maintain a business license in this  
 203 state, and promise as a condition of such contract to continue to remain so located and  
 204 licensed during the duration of the contract;

205 (4) Any business that promises to employ residents of Georgia for the purpose of  
206 satisfying the terms of the contract and that promises to continue such employment  
207 throughout the duration of the contract as a condition of the contract; and  
208 (5) To any person or entity that pays income taxes to this state."

209 **SECTION 6.**

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

212 **SECTION 7.**

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