Online Bidding Act

Summary

This Act would allow public agencies to use on-line, electronic bidding as a means of obtaining bids from vendors for the procurement of goods, services, construction and information services.

Model Legislation

Section 1. {Title} This Act may be cited as the “On-line Bidding Act.”

Section 2. {Legislative Findings} The legislature purposes:

(A) to provide increased economy in government procurement activities and to maximize to the fullest extent practicable the purchasing values of funds while ensuring that procurements are the most advantageous to public agencies;

(B) to foster effective broad-based competition for public procurement within the free enterprise system;

(C) to modernize the law governing procurement in this State and permit the continued development of explicit and thoroughly considered procurement policies and practices;

(D) to ensure the fair and equitable treatment of all persons who deal with the procurement system through a transparent bidding process which will promote increased public confidence in the procedures followed in public procurement;

(E) to provide an ongoing source of funding for new and innovative electronic procurement practices that would otherwise not be possible due to existing funding practices and guidelines.

Section 3. {Definitions}

(A) “Information Technology” (IT) means data processing, telecommunications, and office systems technologies and services.

(B) “Services” means the furnishing of labor, time, or effort by a contractor not required to deliver a specific end product, other than reports that are merely incidental to required performance.
“Construction” means the process of building, altering, repairing, remodeling, improving, or demolishing any public structure or building or other public improvements of any kind to any public real property.

“Procurement” means buying, purchasing, renting, leasing, or otherwise acquiring any good, services, construction or information services. It also includes all functions that pertain to the obtaining of any good, service, construction or information services, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

“Public Agencies” means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment of the executive, legislative or judicial branch, as well as all local political subdivisions such as counties, municipalities, school districts or public service or special districts. Public agencies also include interstate or regional entities participating in multi-state or multi-jurisdictional procurements.

“On-line Bidding” means a procurement process in which public agencies receive vendors' bids for goods, services, construction or information services electronically over the Internet in a real-time, competitive bidding event.

“Internet” means the international computer network of both federal and nonfederal interoperable packet switched data networks, including the graphical sub-network called the world wide web.

Section 4. {Main Provisions} (Cite New Code Section) On-line Bidding

(A) Conditions for Use. When a public agency purchasing agent determines that electronic, on-line bidding is more advantageous than other procurement methods provided by this code, a purchasing agent may use on-line bidding to obtain bids electronically for the purchase of goods, services, construction and information services.

(B) Bidding Process.

(1) The solicitation must designate an opening date and time.

(2) The closing date and time may be fixed or remain open, depending on the structure of the item being bid on-line. Information regarding the closing date and time must also be included in the solicitation. At the opening date and time, public agencies must begin accepting on-line electronic bids, and must continue accepting bids until the bid is officially closed.

(3) All bids must be posted electronically and updated on a real-time basis.

(4) Public agencies may require bidders to register before the opening date and time and, as part of that registration, require bidders to agree to any terms, conditions or other requirements of the solicitation.

(5) Public agencies may also pre-qualify bidders and allow only those bidders who are pre-qualified to submit bids on-line.

(6) Public agencies retain their existing authority to determine the criteria that will be used as the basis for making awards.

(C) Provisions Not to Apply. Section (insert appropriate code section) Bid Opening; Section (insert appropriate section) Competitive Sealed Bidding; and Section (insert appropriate section) Competitive Sealed Proposals, do not apply to solicitations issued pursuant to this section.

(D) Bid Results Public Information. All bids submitted electronically through an on-line bidding process are public information and subject to (insert code section), the same
public disclosure laws that govern bids received through the sealed bid procurement process.

(E) Remedies. All remedies available to public agencies and to bidders through the sealed bid process under sections (insert appropriate sections) are also available to public agencies and bidders in an on-line bidding process.

Section 5. (Effective Date) This Act will become effective immediately upon signature by the Governor.

Endnotes

For background information discussing on-line bidding, two resources are recommended:

