

State of Arkansas  
94th General Assembly  
Regular Session, 2023

As Engrossed: S2/22/23  
**A Bill**

HOUSE BILL 1318

By: Representative Cavenaugh

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 method of evaluation if notice of the method of evaluation is stated in the bid notice:

(a) The lowest immediate cost;  
(b) The lowest demonstrated life cycle cost;  
(c) The lowest demonstrated term costs; or  
(d) A combination of two (2) or more of the lowest immediate cost, the lowest demonstrated life cycle cost, and the lowest demonstrated term costs.

(v) A bid, quote, and the documentation related to a bid or quote shall be maintained as required under § 14-59-114(a)(1).

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 determined by the mayor or the mayor's authorized representative to be 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 determined by the mayor or the mayor's authorized representative to be 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.

*/s/Cavanaugh*

**APPROVED: 3/6/23**