DIGEST

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Willmott HB No. 573

Abstract: Provides for the Procurement of Domestic Products Act relative to procurement of items manufactured in the United States.

Proposed law provides that "manufactured in the United States" means that the components, sub-components, parts, and equipment used in manufacturing, final assembly, processing, packaging, testing, or any other process that adds value, quality, or reliability to assembled articles, materials, or supplies, occurs in the U.S.

Proposed law provides that if a contract is not entered into for products purchased under the provisions of the law for preference of La. products (R.S. 39:1595), each procurement officer, purchasing agent, or similar official who procures or purchases materials, supplies, products, provisions, or equipment under the Louisiana Procurement Code may purchase such materials, supplies, products, provisions, or equipment which are manufactured in the U.S., and which are equal in quality to other materials, supplies, products, provisions, or equipment, provided that all of the following conditions are met:

(1) The cost of such items does not exceed the cost of other items which are manufactured outside the U.S. by more than 5%.

(2) The vendor of such items agrees to sell the items at the same price as the lowest bid offered on such items.

(3) In cases where more than one bidder offers items manufactured in the U.S. which are within 5% of the lowest bid, the bidder offering the lowest bid on such items is entitled to accept the price of the lowest bid made on such items.

(4) The vendor certifies that such items are manufactured in the U.S.

Proposed law provides that the office of state purchasing may promulgate rules and regulations for the implementation of proposed law in accordance with the Administrative Procedure Act.

Effective July 1, 2011.

(Adds R.S. 39:1595.7)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Deleted the following:

   (a) Provision that when purchasing items, every procurement officer shall give preference to and purchase manufactured articles, materials, and supplies that have been manufactured in the U.S. and that such products shall be purchased unless the purchasing agency determines the procured products are not manufactured in the U.S. in reasonably available quantities.

   (b) Provision that the chief procurement officer shall promulgate rules and regulations regarding the prequalification of suppliers and contractors.

   (c) Provision that nothing is intended to contravene any existing treaty, law, agreement, or regulation of the U.S.

   (d) Penalties if a contractor is awarded a contract and has knowledge that the products supplied were not manufactured in the U.S.

2. Added that if a contract for the purchase of products is not entered into under the provisions of the law for preference of La. products (R.S. 39:1595), each official who procures or purchases materials, supplies, products, provisions, or equipment may purchase items manufactured in the U.S., provided that all of the following conditions are met:

   (a) The cost does not exceed the cost of other items which are manufactured outside the U.S. by more than 5%.

   (b) The vendor agrees to sell the items at the same price as the lowest bid offered on such items.

   (c) If more than one bidder offers items manufactured in the U.S. within 5% of the lowest bid, the bidder offering the lowest bid is entitled to accept the price of the lowest bid.

   (d) The vendor certifies that items are manufactured in the U.S.

3. Added that the office of state purchasing may promulgate rules and regulations in accordance with the Administrative Procedure Act.