



State of Tennessee

PUBLIC CHAPTER NO. 310

HOUSE BILL NO. 235

By Representatives Littleton, Smith, Hazlewood

Substituted for: Senate Bill No. 1125

By Senator White

AN ACT to amend Tennessee Code Annotated, Section 12-3-1212; Section 49-13-111 and Section 49-2-203, relative to purchasing procedures.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-2-203(a)(3), is amended by deleting subdivision (B) and substituting instead the following:

(B)

(i) All expenditures for the purchase of supplies, furniture, fixtures, or materials through the executive committee may follow the prescribed procedures of the LEA's respective local governing body, if that body, through its charter, private act, or ordinance has established a procurement procedure that provides for advertisement and competitive bidding, except that, if a newspaper advertisement is required, then it may be waived in case of emergency;

(ii)

(a) If the LEA chooses not to follow the local governing body's purchasing procedures, and the LEA is located in a county having a population of less than forty thousand (40,000), according to the 2010 federal census or any subsequent federal census, then all expenditures for the purchase of supplies, furniture, fixtures, or materials through the executive committee estimated to cost ten thousand dollars (\$10,000) or more must be made on competitive bids, which must be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in case of emergency; or

(b) If the LEA chooses not to follow the local governing body's purchasing procedures, and the LEA is located in a county having a population of forty thousand (40,000) or more, according to the 2010 federal census or any subsequent federal census, then all expenditures for the purchase of supplies, furniture, fixtures, or materials through the executive committee estimated to cost twenty-five thousand dollars (\$25,000) or more must be made on competitive bids, which must be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in case of emergency;

(iii) LEAs that have a purchasing division may use a comprehensive vendor list to solicit competitive bids; provided, that:

(a) The vendors on the list are given notice to bid; and

(b) The purchasing division shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement;

SECTION 2. Tennessee Code Annotated, Section 49-2-203(a)(3), is amended by deleting subdivision (C) and substituting instead the following:

(C)

(i) If the LEA chooses not to follow the local governing body's purchasing procedures, and the LEA is located in a county having a population of less than forty thousand (40,000), according to the 2010 federal census or any subsequent federal census, then all purchases of less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but must, whenever possible, be based upon at least three (3) competitive bids; or

(ii) If the LEA chooses not to follow the local governing body's purchasing procedures, and the LEA is located in a county having a population of forty thousand (40,000) or more, according to the 2010 federal census or any subsequent federal census, then all purchases of less than twenty-five thousand dollars (\$25,000) may be made in the open market without newspaper notice, but must, whenever possible, be based upon at least three (3) competitive bids;

SECTION 3. Tennessee Code Annotated, Section 49-2-203(a)(3)(D), is amended by deleting subdivision (i) and substituting instead the following:

(i)

(a) For the construction of school buildings or additions to existing school buildings, the LEA may follow the prescribed procedures of the LEA's respective local governing body, if that body, through its charter, private act, or ordinance has established a procurement procedure that provides for advertisement and competitive bidding;

(b)

(1) If the LEA chooses not to follow the local governing body's procedure, and the LEA is located in a county having a population of less than forty thousand (40,000), according to the 2010 federal census or any subsequent federal census, then the board shall contract, following open bids, for the construction of school buildings or additions to existing school buildings, the expenditure for which is ten thousand dollars (\$10,000) or more; or

(2) If the LEA chooses not to follow the local governing body's procedure, and the LEA is located in a county having a population of forty thousand (40,000) or more, according to the 2010 federal census or any subsequent federal census, then the board shall contract, following open bids, for the construction of school buildings or additions to existing school buildings, the expenditure for which is twenty-five thousand dollars (\$25,000) or more;

(c) Public notice must be given at least ten (10) days in advance of accepting bids for the construction, and the board shall award the contract to the lowest and best bidder. Whether following the local governing body's procedures or the procedures set forth in this subdivision (a)(3)(D)(i), in the event no bid is within the budgetary limits set by the board for the construction, the board may negotiate with the lowest and best bidder to bring the cost of the construction within the funds available, with the approval of the commissioner of education;

SECTION 4. Tennessee Code Annotated, Section 49-13-111, is amended by deleting subsection (e) and substituting:

(e)

(1) If a public charter school is located in a county having a population of less than forty thousand (40,000), according to the 2010 federal census or any subsequent federal census, then all contracts for goods in excess of ten thousand dollars (\$10,000) must be bid and approved by the governing body of the public charter school.

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(2) If a public charter school is located in a county having a population of forty thousand (40,000) or more, according to the 2010 federal census or any subsequent federal census, then all contracts for goods in excess of twenty-five thousand dollars (\$25,000) must be bid and approved by the governing body of the public charter school.

SECTION 5. Tennessee Code Annotated, Section 12-3-1212, is amended by deleting the language "LEA in accordance with § 49-2-203(a),".

SECTION 6. Tennessee Code Annotated, Section 12-3-1212, is further amended by adding the following language at the end of the section:

For purposes of this section, counties that have adopted the County Financial Management System of 1981, compiled in title 5, chapter 21 or the County Purchasing Law of 1957, compiled in title 5, chapter 14, part 1; or that are similarly centralized for purchasing under a private act, are deemed to have a full-time purchasing agent.

SECTION 7. This act takes effect July 1, 2021, the public welfare requiring it.

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PASSED: April 22, 2021



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 4th day of May 2021



BILL LEE, GOVERNOR