

1 AN ACT relating to state procurement for technology businesses.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section, unless the context clearly indicates otherwise:*

6 *(a) "Contract" means any agreement of a public agency, including grants or*
7 *orders, for the purchase of supplies, services, construction, or any other*
8 *item no matter the cost of the contract;*

9 *(b) "Resident technology business" means an individual, partnership,*
10 *association, corporation, or other business entity that:*

11 *1. Is authorized to transact business in the Commonwealth;*

12 *2. Has one (1) year prior to and through the date of the notice of a*
13 *contract with a state agency, filed Kentucky corporate income taxes,*
14 *made payments to the Kentucky unemployment insurance fund*
15 *established in KRS 341.490, and maintained a Kentucky workers'*
16 *compensation insurance policy in effect; and*

17 *3. Is involved in a business focusing primarily on the development and*
18 *manufacturing of technology, providing technology as a service, or*
19 *offering a wide range of products and services, including but not*
20 *limited to computers and peripherals, network systems, data services,*
21 *software, hardware, Web design, electronics, and telecommunications;*
22 *and*

23 *(c) "State agency" has the same meaning as in KRS 45A.505.*

24 *(2) It is the finding of the General Assembly that public policy is served by*
25 *maximizing the use of products and services produced or provided by residents of*
26 *Kentucky. The General Assembly finds a public purpose is served by providing a*
27 *preference to Kentucky resident technology businesses in contracts with state*

1 agencies.

2 (3) The Commonwealth Office of Technology or other state agency shall inform or
3 make information available to all resident technology businesses of existing
4 technology product needs and service contract needs for all state agencies.

5 (4) Prior to a contract being awarded by a public agency, a resident technology
6 business shall be given preference against a nonresident technology business by
7 the Commonwealth Office of Technology or other state agency who is awarding
8 the contract.

9 (5) The Commonwealth Office of Technology or other state agency soliciting or
10 advertising for bids for contracts shall make this section part of the solicitation or
11 advertisement for bids.

12 (6) If a procurement determination results in a tie between a resident technology
13 business bidder and nonresident technology business bidder, preference shall be
14 given to the resident technology business.

15 (7) If a contract is awarded to a nonresident technology business, then the
16 Commonwealth Office of Technology or other state agency shall document the
17 reason the award was in the state's best interest.

18 (8) This section shall apply to all contracts funded or controlled in whole or in part
19 by the Commonwealth Office of Technology or other state agency.

20 (9) The Finance and Administration Cabinet shall promulgate administrative
21 regulations in accordance with KRS Chapter 13A establishing the procedure by
22 which notifications and preferences required by this section shall be given.