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4 SYNOPSIS:

5 Under existing law, the Alabama Industrial
6 Development Training Institute operates as a Division
7 of the Department of Commerce to provide workforce
8 development incentives for businesses and education and
9 training to the state's workforce.

10 Consistent with Executive Order 2012-31 and Act
11 2013-118, AIDT's contracts are generally exempt from
12 review by the Contract Review Permanent Legislative
13 Oversight Committee, with an exception for legal
14 service contracts.

15 This bill would codify the existing AIDT
16 exemption from the general contract review requirements
17 of the Contract Review Permanent Legislative Oversight
18 Committee, and would also exempt its legal services
19 contracts from review by the committee.

20 Also under existing law, every governmental
21 body, unless exempted, is subject to the requirements
22 of the state procurement laws when making procurements
23 for goods and services other than public works.

24 This bill would provide that AIDT is exempt from
25 the requirements of the state procurement law for the
26 procurement of certain supplies and services other than
27 public works.
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A BILL
TO BE ENTITLED
AN ACT

Relating to the Department of Commerce; to amend Sections 41-29-282 and 41-4-126, Code of Alabama 1975, to provide that the Alabama Industrial Development Training Institute (AIDT) within the department is exempt from the state procurement law and review by the Contract Review Permanent Legislative Oversight Committee.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 41-29-282 and 41-4-126, Code of Alabama 1975, are amended to read as follows:

"§41-29-282

(a) AIDT shall operate as a division of the Department of Commerce. All of the powers, authority, duties, functions, policies, ~~and~~ funds of, and appropriations to AIDT previously conferred upon or granted to AIDT reporting to the State Board of Education through the Division of Vocational-Technical Education or by Alabama Executive Order No. 2012-31 are confirmed, ratified, continued, transferred to, and vested in AIDT.

(b) All contracts, leases, grants, and agreements previously entered by AIDT shall continue in full force and effect without modification or interruption by this restructuring. AIDT may enter into new contracts, agreements, and other instruments necessary to procure goods, services,



57 training, and related resources in furtherance of its purpose,
58 as set forth in Section 41-29-280, and shall be exempt from
59 Chapter 2 of Title 29, relating to permanent legislative
60 committees, including the Contract Review Permanent
61 Legislative Oversight Committee.

62 (c) All property currently owned by AIDT shall continue
63 to be the property of AIDT. If AIDT plans to construct any new
64 building, retrofit or renovate any of its existing buildings,
65 or request or receive any state or federal funding to
66 construct, retrofit, or renovate any of its buildings, the
67 AIDT director shall first certify to ~~a~~ the Governor that the
68 proposal is consistent with the Strategic Workforce Plan.

69 (d) AIDT shall continue to be headed by a director, who
70 shall be appointed by the Secretary of Commerce and shall
71 serve at his or her pleasure. The powers, duties, and
72 qualifications required of the director shall be as set forth
73 in the AIDT Policy Manual, as amended from time to time and
74 approved by the Secretary of Commerce."

75 "§41-4-126

76 (a) Unless otherwise ordered by rule, with approval of
77 the Governor, the following supplies and services need not be
78 procured through the Division of Procurement and are exempt
79 from the competitive requirements of this article:

80 (1) Works of art for museum and public display.

81 (2) Published books in any format such as digital,
82 audio, or hardcopy; maps; periodicals; and technical
83 pamphlets.

84 (3) Utility services where no competition exists or



85 where rates are fixed by law.

86 (4) Purchases of alcoholic beverages by the Alcoholic
87 Beverage Control Board.

88 (5) Purchases of products made or manufactured by the
89 blind or visually handicapped under the direction or
90 supervision of the Alabama Institute for Deaf and Blind in
91 accordance with Chapter 2 of Title 21.

92 (6) Photographs purchased from a federal agency.

93 (7) Barter transactions by the Department of
94 Corrections.

95 (8) The purchase of insurance and supplies or services
96 related to the purchase of insurance.

97 (9) Supplies and services that by their very nature are
98 impossible to award by competitive process, as determined by
99 the Chief Procurement Officer.

100 (10) The procurement of goods, services, training, and
101 other related resources that are directly related to or for
102 the benefit of a company with which the Department of Commerce
103 or the Alabama Industrial Development Training Institute
104 (AIDT) has executed an economic development project agreement.
105 The Chief Procurement Officer, on request, may determine in
106 writing whether a procurement is eligible for this exemption.
107 AIDT shall make annual written reports to the Chief
108 Procurement Officer of all procurements performed under this
109 subdivision. In addition, the Chief Procurement Officer may
110 request periodic reports on all procurements performed under
111 this subdivision at any time.

112 (b) Any state department or agency whose principal



business is honorariums is exempted from this chapter on purchases and contracts for services made by that department or agency.

(c) Nothing in this article is intended to repeal or limit any provision of Section 23-1-40 or Article 5 or Article 6 of Chapter 2 of Title 23, commencing with Section 23-2-140, relating to the procurement authority of the State Department of Transportation and the Alabama Toll Road, Bridge and Tunnel Authority. To the extent any provision contained in this article conflicts with Section 23-1-40 or Article 5 or Article 6 of Chapter 2 of Title 23, the latter governs.

(d) Nothing in this article repeals or limits any provision of Section 41-4-400, relating to the procurement authority of the Division of Construction Management. To the extent any provision contained in this article conflicts with Section 41-4-400, the latter governs.

(e) Nothing in this article repeals or limits any provision of Section 14-7-8, relating to the procurement authority of Alabama Correctional Industries. To the extent any provision contained in this article conflicts with Section 14-7-8, the latter governs.

(f) This article does not apply to any state authority, board, or other entity with respect to contracts relating to the issuance of debt that is required to be repaid from sources other than state funds.

(g) This article does not apply to direct health care services provided by the Alabama Department of Public Health.

(h) Nothing in this article applies to the



administration of health benefit plans by a governmental body and supplies or services related thereto.

(i) Except for capital equipment, this article does not apply to the purchase by a public hospital of medical products, medical supplies, medical devices, services, implants, pharmaceuticals, fluids, gases, or any other medical products which are used in the course of treating patients, or to support the treatment of patients.

(j) (1) Except as provided in subdivision (2), the purchase of supplies or services negotiated on behalf of two-year and four-year colleges and universities may be awarded without competitive bidding, provided that no state revenues, appropriations, or other state funds are expended or committed and when it is determined by the respective board that financial benefits will accrue to the institution.

(2) When an Alabama business entity organized under the laws of this state is available to supply the product or service purchased or negotiated under subdivision (1), the Alabama business entity shall have preference unless the product or service supplied by a foreign corporation is substantially different or superior to the product or service supplied by the Alabama business entity.

(3) Public notice shall be provided by the purchasing agency within 10 days of the execution of a contract under this subsection. The public notice shall include, at a minimum, the terms and conditions of any of the supplies or services that are contracted through negotiation without being competitively bid and the name and address of the recipient of



the contract.

(k) This article does not apply to purchases and contracts for the repair of equipment used in the construction and maintenance of highways by the Department of Transportation.

(l) This article does not apply to public works projects governed by Title 39.

(m) This article does not apply to the purchase by the Department of Transportation of road building materials for transportation infrastructure in the state. Road building materials may be purchased from private land owners or commercial providers from the nearest or most cost-effective source available for the particular application. Road building materials include dirt, gravel, stone, slag, or borrow materials, in natural state or processed by crushing, grading, or screening processes.

(n) This article does not apply to purchases of supplies and services for the maintenance and operation of highway infrastructure and right-of-way by the Department of Transportation.

(o) Nothing in this article is intended to repeal or limit any provision of Article 2, Chapter 1, Title 23, relating to the powers and authority of the Department of Transportation. To the extent any provision contained in this article conflicts with Article 2, Chapter 1, Title 23, the latter governs.

(p) Governmental bodies may purchase supplies from any vendor that offers the item at a price at least ~~ten~~10 percent



below the price established on a statewide contract by the Division of Procurement for the same item, provided that each purchase, whether for a single item or multiple items, does not exceed an amount established by rules of the Chief Procurement Officer. The Division of Procurement shall confirm that the terms and conditions of the purchases are substantially similar to those of the statewide contract for the same item prior to the approval of any purchase under this subsection. Any purchase that would be directly connected to any information technology network used by the state shall require prior approval by the Secretary of Information Technology. If the purchaser is to take possession of the purchased supplies at the vendor's physical location, any acquisition of supplies under this subsection may be purchased only from vendors physically located within the state. The price of any supplies purchased under this subsection shall be the market price readily available to the public at large. The acquisition of supplies under this subsection is subject to the supervision and administration of the Division of Procurement.

(q) Nothing in this article is intended to repeal or limit any provision of Chapter 61E of Title 16, relating to the powers and authority of the Department of Education to enter into joint purchasing agreements on behalf of educational institutions. To the extent any provision contained in this article conflicts with Chapter 61E of Title 16, the latter governs.

(r) Nothing in this article shall be construed as



225 repealing Section 9-2-106 or Section 9-2-107.

226 (s) This article does not apply to purchases by the
227 ~~Alabama~~ Department of Rehabilitation Services of supplies and
228 services for the Alabama Department of Rehabilitation Services
229 consumers.

230 (t) This article does not apply to the Alabama Medicaid
231 Agency for purposes of the selection of professional service
232 providers for contracts with physicians, pharmacists,
233 dentists, optometrists, opticians, nurses, and other health
234 professionals which involve only service on agency task
235 forces, boards, or committees."

236 Section 2. This act shall become effective on October
237 1, 2026.