

1 HB769
2 66728-1
3 By Representative Layson
4 RFD: State Government
5 First Read: 13-APR-04

SYNOPSIS: Under existing law, there are no prohibitions against the state contracting with companies that ship the work to be performed under the contract offshore.

This bill would prohibit work on state contracts from being performed outside of the United States.

A BILL
TO BE ENTITLED
AN ACT

To prohibit the outsourcing of work to be performed on state contracts.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The Legislature finds all of the following:

(1) State agencies and subdivisions procure services in part through contracts with private vendors.

1 (2) Increasingly, private vendors carry out these
2 services, or subcontract or otherwise procure these services,
3 from a location outside the United States.

4 (3) Such international outsourcing exacerbates
5 unemployment and workforce dislocation and deprives Alabama
6 residents of job opportunities, including industries and jobs
7 this state has expended resources to attract.

8 (4) International outsourcing erodes state and local
9 revenues by drawing jobs and income away from the state unless
10 the goods or services needed cannot be obtained from a source
11 within the United States.

12 (5) International outsourcing additionally may
13 provide less privacy protections for state residents whose
14 personal information may, in the course of service delivery,
15 be transmitted to locations outside the United States.

16 Section 2. All of the following provisions shall
17 apply to all state contracts except contracts for the delivery
18 of educational services by public universities at a foreign
19 location:

20 (1) All state agencies and departments are
21 prohibited from awarding a contract to a contractor or
22 subcontractor who performs the work at a site outside of the
23 United States unless the goods and services cannot be obtained
24 from a source within the United States.

25 (2) Each vendor submitting a bid or contract to
26 provide services for the state shall certify that the services

1 covered by the bid or contract will be performed in the United
2 States.

3 (3) If, during the life of a contract with a state
4 agency or department, the contractor or subcontractor shifts
5 work overseas, then the state agency or department shall
6 require the contractor or subcontractor to pay damages in an
7 amount equal to the amount paid by the agency for the
8 percentage of outsourced work. The agency shall also terminate
9 the contract for noncompliance with the outsourcing
10 prohibition.

11 (4) The state agency or department shall be entitled
12 to bring a civil action in state or federal court to compel
13 enforcement under this statute. The court shall award
14 reasonable attorney's fees and costs to the agency or
15 department.

16 Section 3. (a) If the goods or services needed
17 cannot be obtained from a source within the United States the
18 state must be provided a sole source letter stating that the
19 supplier is the only source that can provide these goods or
20 services.

21 (b) A civil penalty of fifty thousand dollars
22 (\$50,000) for anyone who willfully misleads the state
23 regarding a sole source provider for those respective goods or
24 services. A civil penalty of fifty thousand dollars (\$50,000)
25 shall be assessed against the contractor for willfully
26 misleading the state that it is the sole source provider for
27 those goods or services.

1 Section 4. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.