



# TACIR

The Tennessee Advisory Commission  
on Intergovernmental Relations



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## MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard  
Executive Director

DATE: 16 January 2020

SUBJECT: House Bill 635/Senate Bill 600 (Local Government Procurement and the Acceptance of Online Bids and Offers)—Final Report for Approval

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The attached Commission report is submitted for your approval. It was prepared in response to a March 20, 2019, motion passed by the House Local Government Committee requesting a study of House Bill 635 by Representative Travis. Current state law provides that Tennessee's local governments may receive bids and other offers electronically. House Bill 635—which was promoted by a Louisiana company that provides electronic procurement services to local governments—would have amended the current law to make it mandatory for local governments to accept online bids and other offers through a “secure electronic interactive system.” The bill would have exempted local governments below specified population thresholds. See appendix A for a copy of House Bill 635.

We have made no significant changes to the draft reports since you reviewed it at our December meeting. The report provides that **while recognizing the potential benefits of receiving online bids and other offers, the Commission does not recommend making e-procurement mandatory for Tennessee's local governments.**

The report also recommends that **if lawmakers want the state to have an e-procurement system that local governments could use to receive online bids and other offers, like Maryland and Virginia, they should consider upgrading the state's current Edison system.**