

HB0511S01 compared with HB0511

~~{Omitted text}~~ shows text that was in HB0511 but was omitted in HB0511S01

inserted text shows text that was not in HB0511 but was inserted into HB0511S01

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Procurement Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: David Shallenberger
Senate Sponsor:



2

3 **LONG TITLE**

4 **General Description:**

5 This bill modifies provisions of Title 63G, Chapter 6a, Utah Procurement Code.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines the term "resident supplier";
- 9 ▶ authorizes the rulemaking authority for a procurement unit to make rules governing small purchases that encourage procurements from resident suppliers over non-resident suppliers;
- 12 ▶ modifies the process to create an approved vendor list;
- 13 ▶ requires the rulemaking authority to create a procedure to ensure vendors on an approved vendor list that are resident suppliers have increased opportunity to compete for a contract for a procurement item in comparison to non-resident suppliers on the approved vendor list;
- 17 ▶ provides that a procurement unit shall give a preference to bidders that certify on the bid that the bidder qualifies as a resident supplier; and
- 19 ▶ makes technical and conforming changes.

20 **Money Appropriated in this Bill:**

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21 None

22 **Other Special Clauses:**

23 None

24 **Utah Code Sections Affected:**

25 AMENDS:

26 **63G-6a-506** , as last amended by Laws of Utah 2025, Chapter 69

27 **63G-6a-507** , as last amended by Laws of Utah 2020, Chapter 257

28 ENACTS:

29 **63G-6a-1005** , Utah Code Annotated 1953

30

31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **63G-6a-506** is amended to read:

33 **63G-6a-506. Small purchases.**

34 (1) As used in this section:

35 (a) "Annual cumulative threshold" means the maximum total annual amount, established by the
rulemaking authority under Subsection (2), that a procurement unit may expend to obtain
procurement items from the same source under this section.

38 (b) "Individual procurement item threshold" means the maximum amount, established by the
rulemaking authority under Subsection (2), for which a procurement unit may purchase a
procurement item under this section.

41 (c) "Resident supplier" means { a person, partnership, corporation, or other business entity that has a
principal place of business } the same as that term is defined in {Utah} Section 63G-6a-1005.

43 [(e)] (d) "Single procurement aggregate threshold" means the maximum total amount, established
by the rulemaking authority under Subsection (2), that a procurement unit may expend to obtain
multiple procurement items from one source at one time under this section.

47 (2)

(a) The rulemaking authority may make rules governing small purchases of any procurement item,
including construction, job order contracting, design professional services, other professional
services, information technology, and goods.

50 (b) Rules under Subsection (2)(a) may include provisions:

51 (i) establishing expenditure thresholds, including:

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- 52 (A) an annual cumulative threshold;
- 53 (B) an individual procurement item threshold; and
- 54 (C) a single procurement aggregate threshold;
- 55 (ii) establishing procurement requirements relating to the thresholds described in Subsection (2)(b)(i);[
and]
- 57 (iii) providing for the use of electronic, telephone, or written quotes[-] ; and
- 58 (iv) encouraging procurements from resident suppliers over non-resident suppliers, when available.
- 60 (c) If a procurement unit obtains administrative law judge service through a small purchase standard
procurement process, rules made under Subsection (2)(a) shall provide that the process for the
procurement of administrative law judge service include an evaluation committee described in
Subsection 63G-6a-116(3).
- 64 (3) Expenditures made under this section by a procurement unit may not exceed a threshold established
by the rulemaking authority, unless the procurement official gives written authorization to exceed
the threshold that includes the reasons for exceeding the threshold.
- 68 (4) Except as provided in Subsection (5), an executive branch procurement unit may not obtain a
procurement item through a small purchase standard procurement process if the procurement item
may be obtained through a state cooperative contract or a contract awarded by the chief procurement
officer under Subsection 63G-6a-2105(1).
- 72 (5) Subsection (4) does not apply if:
- 73 (a) the procurement item is obtained for an unanticipated, urgent, or emergency condition, including:
- 75 (i) an item needed to avoid stopping a public construction project;
- 76 (ii) an immediate repair to a facility or equipment; or
- 77 (iii) another emergency condition; or
- 78 (b) the chief procurement officer or the procurement official of a procurement unit that is an executive
branch procurement unit with independent procurement authority:
- 80 (i) determines in writing that it is in the best interest of the procurement unit to obtain an individual
procurement item outside of the state contract, comparing:
- 82 (A) the contract terms and conditions applicable to the procurement item under the state contract with
the contract terms and conditions applicable to the procurement item if the procurement item is
obtained outside of the state contract;

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- (B) the maintenance and service applicable to the procurement item under the state contract with the maintenance and service applicable to the procurement item if the procurement item is obtained outside of the state contract;
- 89 (C) the warranties applicable to the procurement item under the state contract with the warranties applicable to the procurement item if the procurement item is obtained outside of the state contract;
- 92 (D) the quality of the procurement item under the state contract with the quality of the procurement item if the procurement item is obtained outside of the state contract; and
- 95 (E) the ability of the vendor under the state contract to match the quoted cost of the procurement item if the procurement item is obtained outside of the state contract;
- 98 (ii) for a procurement item that, if defective in its manufacture, installation, or performance, may result in serious physical injury, death, or substantial property damage, determines in writing that the terms and conditions, relating to liability for injury, death, or property damage, available from the source other than the contractor who holds the state contract, are similar to, or better than, the terms and conditions available under the state contract; and
- 104 (iii) grants an exception, in writing, to the requirement described in Subsection (4).
- 105 (6) Except as otherwise expressly provided in this section, a procurement unit:
- 106 (a) may not use the small purchase standard procurement process described in this section for ongoing, continuous, and regularly scheduled procurements that exceed the annual cumulative threshold; and
- 109 (b) shall make its ongoing, continuous, and regularly scheduled procurements that exceed the annual cumulative threshold through a contract awarded through another standard procurement process described in this chapter or an applicable exception to another standard procurement process, described in Part 8, Exceptions to Procurement Requirements.
- 114 (7) This section does not prohibit regularly scheduled payments for a procurement item obtained under another provision of this chapter.
- 116 (8)
- (a) It is unlawful for a person knowingly to divide a single procurement into multiple smaller procurements, including by dividing an invoice or purchase order into multiple invoices or purchase orders, if:
- 119 (i) the single procurement would not have qualified as a small purchase under this section;
- 121 (ii) one or more of the multiple smaller procurements qualify as a small purchase under this section; and

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- 123 (iii) the division is done with the intent to:
- 124 (A) avoid having to use a standard procurement process, other than the small purchase process, that the
person would otherwise be required to use for the single procurement; or
- 127 (B) make one or more of the multiple smaller procurements fall below a small purchase expenditure
threshold established by rule under Subsection (2)(b) that the single procurement would not have
fallen below without the division.
- 130 (b) A violation of Subsection (8)(a) is subject to penalties as provided in Subsection 63G-6a-2404.3(2).
- 132 (9) The Division of Finance within the Department of Government Operations may conduct an audit of
an executive branch procurement unit to verify compliance with the requirements of this section.
- 135 (10) An executive branch procurement unit may not make a small purchase after January 1, 2014,
unless the chief procurement officer certifies that the person responsible for procurements in the
procurement unit has satisfactorily completed training on this section and the rules made under this
section.

138 Section 2. Section **63G-6a-507** is amended to read:

139 **63G-6a-507. Approved vendor list procurement process.**

- 141 (1) As used in this section:
- 142 (a) "Closed-ended approved vendor list" means an approved vendor list that is subject to:
- 143 (i) a short period of time, specified by the procurement unit, during which vendors may be added to the
list; and
- 145 (ii) a specified period of time after which the list will expire.
- 146 (b) "Open-ended approved vendor list" means an approved vendor list that is subject to:
- 147 (i) an indeterminate period of time during which vendors may be added to the list;
- 148 (ii) the addition of vendors to the list throughout the term of the list; and
- 149 (iii) a specified period of time after which the procurement unit is required to verify that vendors on the
list continue to meet the minimum mandatory requirements, evaluation criteria, and applicable score
thresholds.
- 152 (c) "Resident supplier" means the same as that term is defined in Section {~~63G-6a-506~~} 63G-6a-1005.
- 153 (2) A procurement unit may not establish an approved vendor list unless the procurement unit has first
completed the statement of qualifications process described in Section 63G-6a-410.
- 156 (3)
- (a) A procurement unit may establish an approved vendor list for:

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- 157 (i) a specific, fully defined procurement item; or
158 (ii) a future procurement item that is not specifically and fully defined, if the request for statement
of qualifications contains a general description of:
- 160 (A) the procurement item; and
161 (B) the type of vendor that the procurement unit seeks to provide the procurement item.
- 163 (b) A procurement unit may not award a contract to a vendor on an approved vendor list for a
procurement item that is outside the scope of the general description of the procurement item
contained in the request for statement of qualifications.
- 166 (4) After receiving the statements of qualifications and evaluation scores submitted by the evaluation
committee under Subsection 63G-6a-410(9)(f), the procurement official of the procurement unit
using the request for statement of qualifications process under Section 63G-6a-410 as part of an
approved vendor list process shall:
- 170 (a) include on an approved vendor list those vendors meeting the minimum mandatory requirements,
evaluation criteria, and applicable score thresholds;~~and~~
172 (b) reject any vendor not meeting the minimum mandatory requirements, evaluation criteria, and
applicable score thresholds as ineligible for inclusion on the approved vendor list~~;~~ and
175 (c) indicate on an approved vendor list those vendors that qualify as a resident supplier, if the vendor
includes that information in the vendor's statement of qualifications.
- 177 (5)
- (a) A procurement unit shall include approved vendors on a closed-ended approved vendor list or an
open-ended approved vendor list.
- 179 (b)
- (i) A closed-ended approved vendor list shall expire no later than 18 months after the publication of the
closed-ended approved vendor list.
- 181 (ii) A procurement unit shall verify, no less frequently than every 18 months, by a method approved by
the procurement official, that each vendor on an open-ended approved vendor list continues to meet
the minimum mandatory requirements, evaluation criteria, and applicable score thresholds.
- 185 (6) A procurement unit may:
- 186 (a)
- (i) using a bidding process, request for proposals process, small purchase process, or design
professional procurement process, award a contract to a vendor on an approved vendor list for any

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- procurement item or type of procurement item specified by the procurement unit in the request for statement of qualifications, including procurement items that the procurement unit intends to acquire in a series of future procurements described in the request for statement of qualifications; and
- 193 (ii) limit participation in a bidding process, request for proposals process, small purchase process, or
design professional procurement process to vendors on an approved vendor list; or
- 196 (b) award a contract to a vendor on an approved vendor list at a price established as provided in Section
63G-6a-113.
- 198 (7)
- (a) After establishing an approved vendor list as provided in this section, a conducting procurement unit shall, before using the approved vendor list, submit the approved vendor list to the issuing procurement unit.
- 201 (b) An issuing procurement unit that receives an approved vendor list under Subsection (7)(a) shall
make the approved vendor list available to the public.
- 203 (8) A conducting procurement unit administering an open-ended approved vendor list shall:
- 204 (a) require a vendor seeking inclusion on the approved vendor list to submit a statement of
qualifications that complies with all requirements applicable at the time of the initial request for
statement of qualifications; and
- 207 (b) if modifying the requirements for inclusion on the approved vendor list, apply any new or additional
requirement to all vendors equally, whether a vendor is seeking inclusion on the approved vendor
list for the first time or is already included on the approved vendor list.
- 211 (9) A rulemaking authority shall make rules pertaining to an approved vendor list process, including:
- 213 (a) procedures to ensure that:
- 214 (i) all vendors on an approved vendor list that are resident suppliers have a fair and equitable
opportunity to compete for a contract for a procurement item in comparison to other resident
suppliers on the approved vendor list;
- 217 (ii) all vendors on an approved vendor list that are not resident suppliers have a fair and equitable
opportunity to compete for a contract for a procurement item in comparison to other non-resident
suppliers on the approved vendor list; and
- 220 (iii) vendors on an approved vendor list that are resident suppliers have a greater opportunity to
compete for a contract for a procurement item in comparison to non-resident suppliers on the
approved vendor list; and

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223 (b) requirements for using an approved vendor list with the small purchase process.

223 Section 3. Section 3 is enacted to read:

224 **63G-6a-1005. Preference for resident suppliers.**

226 (1) As used in this section, "resident supplier" means a person, partnership, corporation, or other
business entity that:

228 (a) ~~{has-}~~ maintains a principal place of business in Utah ~~{or that employs workers who are residents of
this state; and}~~ ;

228 (b) is registered and in good standing with the Division of Corporations and Commercial Code created
in Section 13-1a-1; and

230 (b){(c)} ~~{was transacting-}~~ has maintained the principal place of business ~~{on-}~~ described in Subsection
(1)(a) for at least one year before the ~~{date when bids-}~~ day on which bids or requests for ~~{the
public-}~~ qualifications were first solicited.

231 (2) The provisions of this section apply if the provisions of Sections 63G-6a-1002 and 63G-6a-1003 do
not apply.

233 (3)

(a) ~~{An-}~~ For a procurement that is awarded based on evaluation criteria with assigned point values, an
issuing procurement unit shall~~{, for all procurements, give-}~~ award a ~~{preference-}~~ resident supplier
additional points equal to ~~{those bidders that certify on-}~~ 10% of the ~~{bid that the bidder qualifies as
a resident supplier}~~ total available evaluation points.

238 (b) The additional points described in Subsection (3)(a) shall be added to the resident supplier's final
evaluation score.

240 (c) The preference described in this Subsection (3):

235 (b){(i)} ~~{The preference-}~~ is waived if the certification ~~{described in Subsection (3)(a)-}~~ that the bidder
qualifies as a resident supplier does not appear on the bid~~{-}~~ or proposal; and

237 (4){(ii)} ~~{The preference described in Subsection (3)(a)-}~~ does not apply if application of the
preference might jeopardize the receipt of federal funds.

245 Section 4. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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