

Procurement Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David Shallenberger

Senate Sponsor:

LONG TITLE**General Description:**

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

Highlighted Provisions:

This bill:

- defines the term "resident supplier";
- authorizes the rulemaking authority for a procurement unit to make rules governing small purchases that encourage procurements from resident suppliers over non-resident suppliers;
- modifies the process to create an approved vendor list;
- 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;
- 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
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

ENACTS:

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

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
36 by the rulemaking authority under Subsection (2), that a procurement unit may
37 expend to obtain procurement items from the same source under this section.

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

41 (c) "Resident supplier" means a person, partnership, corporation, or other business entity
42 that has a principal place of business in Utah.

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

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

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

51 (i) establishing expenditure thresholds, including:

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
56 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,
59 when available.

60 (c) If a procurement unit obtains administrative law judge service through a small
61 purchase standard procurement process, rules made under Subsection (2)(a) shall
62 provide that the process for the procurement of administrative law judge service
63 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.

- (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).
- (5) Subsection (4) does not apply if:
- (a) the procurement item is obtained for an unanticipated, urgent, or emergency condition, including:
 - (i) an item needed to avoid stopping a public construction project;
 - (ii) an immediate repair to a facility or equipment; or
 - (iii) another emergency condition; or
 - (b) the chief procurement officer or the procurement official of a procurement unit that is an executive branch procurement unit with independent procurement authority:
 - (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:
 - (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;
 - (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;
 - (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;
 - (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
 - (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;
 - (ii) for a procurement item that, if defective in its manufacture, installation, or

- 99 performance, may result in serious physical injury, death, or substantial property
100 damage, determines in writing that the terms and conditions, relating to liability
101 for injury, death, or property damage, available from the source other than the
102 contractor who holds the state contract, are similar to, or better than, the terms and
103 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
107 section for ongoing, continuous, and regularly scheduled procurements that exceed
108 the annual cumulative threshold; and
- 109 (b) shall make its ongoing, continuous, and regularly scheduled procurements that
110 exceed the annual cumulative threshold through a contract awarded through another
111 standard procurement process described in this chapter or an applicable exception to
112 another standard procurement process, described in Part 8, Exceptions to
113 Procurement Requirements.
- 114 (7) This section does not prohibit regularly scheduled payments for a procurement item
115 obtained under another provision of this chapter.
- 116 (8)(a) It is unlawful for a person knowingly to divide a single procurement into multiple
117 smaller procurements, including by dividing an invoice or purchase order into
118 multiple invoices or purchase orders, if:
- 119 (i) the single procurement would not have qualified as a small purchase under this
120 section;
- 121 (ii) one or more of the multiple smaller procurements qualify as a small purchase
122 under this section; and
- 123 (iii) the division is done with the intent to:
- 124 (A) avoid having to use a standard procurement process, other than the small
125 purchase process, that the person would otherwise be required to use for the
126 single procurement; or
- 127 (B) make one or more of the multiple smaller procurements fall below a small
128 purchase expenditure threshold established by rule under Subsection (2)(b) that
129 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
131 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.

- (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.

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

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

- (1) As used in this section:

(a) "Closed-ended approved vendor list" means an approved vendor list that is subject to:

(i) a short period of time, specified by the procurement unit, during which vendors may be added to the list; and

(ii) a specified period of time after which the list will expire.

(b) "Open-ended approved vendor list" means an approved vendor list that is subject to:

(i) an indeterminate period of time during which vendors may be added to the list;

(ii) the addition of vendors to the list throughout the term of the list; and

(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.

(c) "Resident supplier" means the same as that term is defined in Section 63G-6a-506.

- (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.

- (3)(a) A procurement unit may establish an approved vendor list for:

(i) a specific, fully defined procurement item; or

(ii) a future procurement item that is not specifically and fully defined, if the request for statement of qualifications contains a general description of:

(A) the procurement item; and

(B) the type of vendor that the procurement unit seeks to provide the procurement item.

- (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.

- (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:

(a) include on an approved vendor list those vendors meeting the minimum mandatory requirements, evaluation criteria, and applicable score thresholds;~~[-and]~~

(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

(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.

(5)(a) A procurement unit shall include approved vendors on a closed-ended approved vendor list or an open-ended approved vendor list.

(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.

(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.

(6) A procurement unit may:

(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 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

(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

(b) award a contract to a vendor on an approved vendor list at a price established as provided in Section 63G-6a-113.

(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.

(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.

(8) A conducting procurement unit administering an open-ended approved vendor list shall:

(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

(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.

(9) A rulemaking authority shall make rules pertaining to an approved vendor list process, including:

(a) procedures to ensure that:

(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;

(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

(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

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

Section 3. Section **63G-6a-1005** is enacted to read:

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

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

(a) has a principal place of business in Utah or that employs workers who are residents of this state; and

(b) was transacting business on the date when bids for the public were first solicited.

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

(3)(a) An issuing procurement unit shall, for all procurements, give a preference to those bidders that certify on the bid that the bidder qualifies as a resident supplier.

235 (b) The preference is waived if the certification described in Subsection (3)(a) does not
236 appear on the bid.

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

239 Section 4. **Effective Date.**

240 This bill takes effect on May 6, 2026.