



Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

# PROCUREMENT (LOCAL PREFERENCES AMENDMENT) ACT 2016

Sponsored by:

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**HON. MINISTER KALANI KANEKO**

Approved:

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**HON. SPEAKER KENNETH A KEDI /s/**



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**NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS  
37TH CONSTITUTIONAL REGULAR SESSION, 2016**



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Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

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**BILL NO.40**

**ERROR! BOOKMARK NOT DEFINED.**

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Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

**PROCUREMENT (LOCAL PREFERENCES AMENDMENT)  
ACT 2016**

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**A BILL FOR AN ACT to amend the Procurement Act to provide for local procurement preferences**

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**BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS**

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**§101. Short title.**

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This Act may be cited as the Procurement (Local Preferences Amendment) Act 2016.

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**§102. Amendment**

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(1) Part XII, Section 185 of the Procurement Act is amended by a new section as follows:

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**§185A Local Procurement Preferences**

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(1) All procurement of supplies, and procurement of services shall be made from among businesses licensed to do business on Marshall Islands and that maintain an office or other facility on Marshall Islands, whenever a business that is willing to be a contractor is:

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(a) a licensed bonafide manufacturing business that adds at least twenty-five percent (25%) of the value of an item, not to include administrative overhead, using workers who are Marshallese citizens or lawfully admitted permanent residents or nationals of the United States, or nationals of Federated States of Micronesia and Palau.

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- 1 (b) a business that regularly carries an inventory for regular  
2 immediate sale of at least fifty percent (50%) of the supply  
3 items to be procured; or
- 4 (c) a business that has a retail or wholesale business location that  
5 regularly carries an inventory on Marshall Islands of a value of  
6 at least one half of the value of the bid or one hundred fifty  
7 thousand dollars (\$150,000) whichever is less, of supplies and  
8 items of a similar nature to those being sought; or
- 9 (d) a service business actually in business doing a substantial  
10 portion of its business on Marshall Islands, and hiring at least  
11 fifty percent (50%) of Marshallese citizens or more, lawfully  
12 admitted as legal residents of Marshall Islands, or citizens of  
13 Federated States of Micronesia and Palau who lawfully  
14 admitted to the Marshall Islands.

15 **§103. Effective date.**

16 This Act shall take effect on the date of certification in accordance with the  
17 relevant provisions of the Constitution of the Republic of the Marshall  
18 Islands and the Rules of Procedure of the Nitijela.

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**BILL SUMMARY**

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This Bill proposes to amend the Procurement Code in order to provide for Local Procurement Preferences. It proposes to amend 185 by inserting a new section 185A.

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The Bill adopt similar approach to Guam that procurement of supplies and services be made from among companies license to do business only in the Marshall Islands with the aim of supporting and growing RMI's local economy.

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1 NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS  
2 37TH CONSTITUTIONAL REGULAR SESSION, 2016

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ACT 2016**

3 **SIGNATURES**

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4 **DATE:** *\_AUG.19, 2016\_*      **INTRODUCED BY** *\_MIN. KALANI KANEKO\_*      *\_/S/\_*  
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