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Attorney for City of Gulf Shores and
Governmental Utility Services Corporation
1900 First National Southern Natural Building
Birmingham, AL 35203

Municipalities - Water & Sewage -
Competitive Bid Law - Contracts

Utility Services Corporation is
exempt from competitive bid laws
when acting within the scope of
Code of Alabama 1975, § 11-97-20.

Dear Mr. Birchall:

The joint opinion request of the City of Gulf Shores and the Governmental Utility Services Corporation of the Town of Gulf Shores has been received in the Office of the Attorney General. The question presented is whether the Corporation is exempt from the provisions of the competitive bid law.

The Corporation was formed pursuant to the provisions of Code of Alabama 1975, § 11-97-1, et seq. Code of Alabama 1975, § 11-97-20 states:

Any corporation and all contracts made by it shall be exempt from the laws of the state requiring competitive bids for any contract to be entered into by counties, municipalities, public corporations or other instrumentalities authorized by them, including, but without limitation to, the provisions of article 3 of chapter 16 of Title 41. Further, all contracts, whether or not involving any corporation as a party thereto, which relate to the design, construction, acquisition, financing or operation of any facilities that are financed, in whole or in part, by any corporation pursuant to the provisions of this

chapter (including, without limitation, utility services agreements and contracts for the design, construction and equipment of such facilities) shall be exempt from (i) such laws requiring competitive bids for any contract to be entered into by counties, municipalities, public corporations or other instrumentalities authorized by them, including, but without limitation to, the provisions of article 3 of chapter 16 of Title 41, and (ii) the laws of the state limiting the duration of any contracts for the purchase of personal property or contractual services by counties, municipalities, public corporations or other instrumentalities authorized by them, including, without limitation to, the provisions of article 3 of chapter 16 of Title 41.

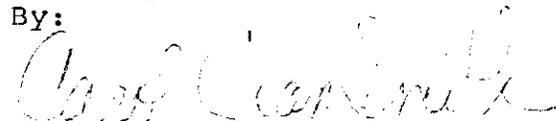
Therefore, it is the opinion of this office that the Corporation and all contracts made by it are exempt from the competitive bid law when the Corporation is acting within the scope of Code of Alabama 1975, § 11-97-20.

I do hope that this response sufficiently answers your inquiry. If, however, we may be of further service, please do not hesitate to contact us.

Sincerely yours,

CHARLES A. GRADDICK
Attorney General

BY:



CAROL JEAN SMITH
Assistant Attorney General