

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 3242
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State Affairs
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Committee Report (Substituted)

DIGEST AND PURPOSE

A reverse auction is an online bidding procedure that can last as short as an hour or as long as two weeks. The auction takes place at a previously scheduled time and Internet location. Multiple suppliers access the website to bid on projects, with the ability to see what others have bid and offer lower amounts. C.S.H.B. 3242 requires the Texas Building and Procurement Commission to use reverse auctions for 10 percent of open market purchases, other than purchases of professional services. This bill also requires a state agency to submit a written justification in September of each year if the agency does not use the reverse auction procedure.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2155.062(d), Government Code, to provide that the definition of “reverse auction procedure” applies for the subchapter, rather than the section.

SECTION 2. Amends Subchapter B, Chapter 2155, Government Code, by adding Section 2155.085, as follows:

Sec. 2155.085. REVERSE AUCTION PROCEDURE. (a) Requires at least 10 percent of the dollar value of open market purchases, other than purchases of professional services as defined by Section 2254.002 (Definitions), made by a state agency or by the Texas Building and Procurement Commission (TBPC) on behalf of a state agency each state fiscal year to be purchased using the reverse auction procedure.

(b) Requires a state agency, in September of each year, to submit to certain elected leaders a written justification if the agency did not comply with Subsection (a) during the preceding state fiscal year.

SECTION 3. Effective date: September 1, 2003.