

BILL ANALYSIS

Senate Research Center

C.S.H.B. 664
By: Isett (Duncan)
Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Local Government Code allows consideration of a bidder's principal place of business when awarding contracts that were open for bid if the local bidder's price is within three percent of the lowest bid.

H.B. 664 allows a government body that has solicited a bid to factor in the bidder's place of business when awarding a bid contract if the local bidder's price is within five percent of the lowest bid. The bill also authorizes school districts to consider this factor in awarding contracts.

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 Subchapter Z, Chapter 271, Local Government Code, by adding Section 271.9051, as follows:

Sec. 271.9051. CONSIDERATION OF LOCATION OF BIDDER'S PRINCIPAL PLACE OF BUSINESS IN CERTAIN MUNICIPALITIES. (a) Specifies that this section applies only to a certain municipality.

(b) Authorizes the municipality, in purchasing under this title any real property, personal property that is not affixed to real property, or services, other than construction services, if a municipality receives one or more competitive sealed bids from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident of the municipality, to enter into a contract with the lowest bidder, or the local bidder, if certain conditions are met.

(c) Provides that this section does not prohibit a municipality from rejecting all bids.

(d) Provides that Subsection (b)(2) does not apply to the purchase of telecommunications or information services as defined in 47 U.S.C. 153.

SECTION 2. Amends Section 44.031, Education Code, by adding Subsection (b-1), as follows:

(b-1) Authorizes a certain school district, in awarding a contract by competitive sealed bid under this section, to consider a bidder's principal place of business in the manner provided by Section 271.9051, Local Government Code, for the items and services listed in that section. Provides that this subsection does not apply to the purchase of telecommunications services as defined in 47 U.S.C. 153.

SECTION 3. Amends Section 44.033, Education Code, by amending Subsection (c) and adding Subsection (f), as follows:

(c) Creates an exception as provided in Subsection (f).

(f) Authorizes a certain school district, in awarding a contract by competitive sealed bid under this section, to consider a bidder's principal place of business in the manner provided by Section 271.9051, Local Government Code. Provides that this subsection does not apply to the purchase of telecommunications or information services as defined in 47 U.S.C. 153.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2005.