

## BILL ANALYSIS

Senate Research Center  
80R20747 E

C.S.H.B. 3517  
By: Creighton (Watson)  
Intergovernmental Relations  
5/17/2007  
Committee Report (Substituted)

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, local governmental entities use the process of competitive sealed bids for expenditures of \$25,000 or more with a few exceptions--professional services, high technology items, and insurance.

C.S.H.B. 3517 authorizes local governmental entities of all sizes to use the competitive sealed bid process for those expenditures, provided that the entities meet the required criteria.

### 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 the heading to Section 252.021, Local Government Code, to read as follows:

Sec. 252.021. COMPETITIVE REQUIREMENTS FOR PURCHASES.

SECTION 2. Amends Sections 252.021(b) and (c), Local Government Code, as follows:

(b) Authorizes a municipality to use the competitive sealed proposal procedure for the purchase of goods or services, including technology items, rather than high technology procurements, and insurance. Deletes existing text requiring the municipality to have a population of 25,000 or more and to comply with certain prescribed competitive sealed bid procedures.

(c) Requires the governing body of a municipality that is considering using a method other than competitive sealed bidding to determine before notice is given the method of purchase that provides the best value for the municipality. Authorizes the governing body to delegate, as appropriate, its authority under this subsection to a designated representative. Requires the municipality, of the competitive sealed proposals requirement applies to the contract, to consider the criteria described by Section 252.043(b) and the discussions conducted under Section 252.042 to determine the best value for the municipality.

SECTION 3. Amends Section 262.024(a), Local Government Code, to provide that a contract for the purchase of certain items is exempt from the requirement by Section 262.023 (Competitive Requirements for Certain Purchases) if the commissioners court by order grants the exemption, including vehicle and equipment repairs.

SECTION 4. Amends the heading to Section 262.030, Local Government Code, to read as follows:

Sec. 262.030. ALTERNATIVE COMPETITIVE PROPOSAL PROCEDURE FOR CERTAIN GOODS AND SERVICES.

SECTION 5. Amends Section 262.030(d), Local Government Code, to authorize a county in which a purchasing agent has been appointed or employed, rather than a county with a

population of one million or more, to use the competitive proposal purchasing method authorized by this section for the purchase of insurance or high technology items.

SECTION 6. Amends Section 271.111(10), Local Government Code, to redefine "governmental entity."

SECTION 7. Amends Sections 271.112(a), (d), and (f), Local Government Code, as follows:

(a) Provides that any provision in the charter of a home-rule municipality or regulation, if any, of a county, river authority, conservation and reclamation district created pursuant to Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution, and located in a county with a population of more than 250,000, or defense base development authority that requires the use of competitive bidding or competitive sealed proposals or that prescribes procurement procedures and that is in conflict with this subchapter controls over this subchapter unless the governing body of the governmental entity elects to have this subchapter supersede the charter or regulation.

(d) Requires the municipality, river authority, conservation and reclamation district created pursuant to Section 59, article XVI, Texas Constitution, and located in a county with a population of more than 250,000, or defense base development authority, for a contract a municipality, river authority, conservation and reclamation district created pursuant to Section 59, Article XVI, Texas Constitution, and located in a county with a population of more than 250,000 or defense base development authority under any of the methods provided by this subchapter, to publish notice of the time and place the bids or proposals, or the responses to a request for qualifications, will be received and opened. Requires the notice to be published in a newspaper of general circulation in the county in which the defense base development authority's or municipality's central administrative office is located or the county in which the greatest amount of the river authority's or such conservation and reclamation district's territory is located once each week for at least two weeks before the deadline for receiving bids, proposals, or responses. Makes a conforming change.

(f) Makes a conforming and a nonsubstantive change.

SECTION 8 Amends Section 775.084(a), Health and Safety Code, to require the board of emergency services commissioners to submit to competitive bids an expenditure of more than \$50,000, rather than \$25,000, for one item or service, or more than one of the same or a similar type of item or service in a fiscal year.

SECTION 9. Effective date: September 1, 2007.