

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 3648
By: Harper-Brown (Paxton)
Government Organization
5/17/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 3648 amends current law relating to the award and performance of certain state 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 B, Chapter 2155, Government Code, by adding Section 2155.088, as follows:

Sec. 2155.088. MATERIAL CHANGES TO CONTRACTS. (a) Requires that the performance of a contract for goods or services awarded under this chapter (Purchasing: General Rules and Procedures), notwithstanding any other law, substantially comply with the terms contained in the written solicitation for the contract and the terms considered in awarding the contract, including terms regarding cost of materials or labor, duration, price, schedule, and scope.

(b) Requires the governing body of a state agency, after a contract for goods or services is awarded under this chapter, if applicable, to hold a meeting to consider a material change to the contract and why that change is necessary. Provides that, for purposes of this section, a material change includes extending the length of or postponing the completion of a contract for six months or more, or increasing the total consideration to be paid under a contract by at least 10 percent, including by substituting certain goods, materials, products, or services.

SECTION 2. Amends Section 2252.002, Government Code, as follows:

Sec. 2252.002. AWARD OF CONTRACT TO NONRESIDENT BIDDER. Prohibits a governmental entity from awarding a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the greater of the following:

- (1) Makes nonsubstantive changes; or
- (2) the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which a majority of the manufacturing relating to the contract will be performed.

SECTION 3. (a) Provides that Section 2155.088, Government Code, as added by this Act, applies only to a contract for goods or services awarded under Chapter 2155, Government Code, on or after the effective date of this Act.

(b) Makes application of the change in law made by Section 2252.002, Government Code, as amended by this Act, prospective.

SECTION 4. Effective date: upon passage or September 1, 2013.