

By: Isett

H.B. No. 52

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to consideration of a bidder's principal place of business  
3 in awarding certain municipal and school district contracts.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 271.905(a) and (b), Local Government  
6 Code, are amended to read as follows:

7 (a) In this section, "local government" means a  
8 municipality with a population of 225,000 [~~200,000~~] or less, a  
9 county with a population of 250,000 [~~400,000~~] or less, or another  
10 political subdivision authorized under this title to purchase real  
11 property or personal property that is not affixed to real property.  
12 [~~The term does not include a school district.~~]

13 (b) In purchasing under this title any real property, ~~or~~  
14 personal property that is not affixed to real property, or services  
15 other than professional services, if a local government receives  
16 one or more bids from a bidder whose principal place of business is  
17 in the local government and whose bid is within five [~~three~~] percent  
18 of the lowest bid price received by the local government from a  
19 bidder who is not a resident of the local government, the local  
20 government may enter into a contract with:

21 (1) the lowest bidder; or

22 (2) the bidder whose principal place of business is in  
23 the local government if the governing body of the local government  
24 determines, in writing, that the local bidder offers the local

1 government the best combination of contract price and additional  
2 economic development opportunities for the local government  
3 created by the contract award, including the employment of  
4 residents of the local government and increased tax revenues to the  
5 local government.

6 SECTION 2. Section 44.031, Education Code, is amended by  
7 adding Subsection (b-1) to read as follows:

8 (b-1) In awarding a contract using a method described under  
9 Subsection (a)(1) or (a)(2), a school district may consider a  
10 bidder's or offeror's principal place of business in the manner  
11 provided by Section 271.905, Local Government Code.

12 SECTION 3. Section 44.033, Education Code, is amended by  
13 amending Subsection (c) and adding Subsection (f) to read as  
14 follows:

15 (c) Before the district makes a purchase from a category of  
16 personal property, the district must obtain written or telephone  
17 price quotations from at least three vendors from the list for that  
18 category. If fewer than three vendors are on the list, the district  
19 shall contact each vendor on the list. Whenever possible, telephone  
20 quotes should be confirmed in writing by mail or facsimile. The  
21 bidding records must be retained with the school's competitive  
22 bidding records and are subject to audit. Except as provided by  
23 Subsection (f), the ~~The~~ purchase shall be made from the lowest  
24 responsible bidder.

25 (f) In awarding a contract under this section, a school  
26 district may consider a bidder's principal place of business in the  
27 manner provided by Section 271.905, Local Government Code.

1           SECTION 4. This Act takes effect November 1, 2003, and  
2 applies only to a contract for which the initial notice soliciting  
3 bids or proposals is given on or after that date. A contract for  
4 which the initial notice soliciting bids or proposals is given  
5 before November 1, 2003, is governed by the law in effect when the  
6 initial notice is given, and the former law is continued in effect  
7 for that purpose.