

BILL ANALYSIS

C.S.H.B. 593
By: Dukes
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, a state agency may not accept a bid from, or award a contract to, a person who received compensation for participating in developing the bid specifications or developing the request for proposals. However, many persons would be willing to assist in developing specifications at no charge if the specifications can be narrowly drawn so as to assure them of receiving the resulting contract. The purpose of C.S.H.B. 593 is to prohibit a state agency from accepting a bid from, or awarding a contract to, a person who participated in the development of the bid specifications if the specifications are so narrowly defined as to limit or exclude competition.

In addition, current law does not expressly prohibit a state agency from accepting a bid or awarding a contract to an individual who is barred from participating in state contracts by the Texas Building and Procurement Commission. C.S.H.B. 593 would enact such a prohibition.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 593 amends Section 2155.004 of the Government Code to provide that a state agency may not accept a bid or award a contract to a person if:

- the person participated in the development of the bid specifications or request for proposals; and
- the specifications are either specific to that person or so narrowly defined as to limit or exclude competition.

C.S.H.B. 593 also prohibits a state agency from accepting a bid or awarding a contract to an individual or entity that is barred from participating in state contracts by the Texas Building and Procurement Commission under Section 2155.077, Government Code.

EFFECTIVE DATE

September 1, 2003. The Act applies only in relation to a contract for which the requests for bids or proposals or other applicable expressions of interest are made public on or after the effective date of the Act.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The original bill prohibited a state agency from accepting a bid from, or awarding a contract to, a person who participated to any extent in the development of the bid specifications or request for proposals on which the bid or contract is based. C.S.H.B. 593 permits a state agency to award a contract to a person who participated in the development of the bid specifications or request for proposals, provided that the

specifications or request for proposals are not so narrowly defined as to be specific to that person or to otherwise limit or exclude competition.