

## **BILL ANALYSIS**

Senate Research Center  
78R4816 MTB-F

S.B. 1412  
By: Deuell  
Infrastructure Development and Security  
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As Filed

### **DIGEST AND PURPOSE**

Currently, Texas law does not specifically permit transportation authorities to use the Internet for the electronic transmission of bids and proposals because the bids are required to be sealed. The use of electronic bidding by governmental entities is on the rise, and is generally recognized as a cost-effective and efficient way to streamline the bid process and provide a paper-free option for vendors. State agencies, municipalities, and cities are authorized to participate in e-procurement. Additionally, transportation authorities are not authorized to use reverse auction, a form of competitive bidding whereby the buyer announces the product it wants to buy and prospective sellers bid against each other for the lowest offering price. As proposed, S.B. 1412 authorizes regional transportation authorities to use electronic transmission of bids and proposals and the reverse auction procedure.

### **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 Section 452.106, Transportation Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Includes among the procedures, guidelines, and rules which the executive committee of a regional transportation authority are authorized to adopt and enforce, the electronic transmission of bids and proposals and the use of the reverse auction procedure, as defined by Section 2155.062 (Purchase Methods), Government Code.

(c) Requires a procurement procedure, guideline or rule covering the electronic transmission of bids and proposals to provide for the identification, security, and confidentiality of an electronic bid or proposal, and that an electronic bid or proposal is not required to be sealed and it remains effectively unopened until the appropriate time.

SECTION 2. Amends Section 452.107(a), Transportation Code, to include the reverse auction procedure as a solicitation of competitive sealed bids or proposals.

SECTION 3. (a) and (b) Make application of this Act prospective.

SECTION 4. Effective date: September 1, 2003.