

1-1 By: Duncan S.B. No. 1210
1-2 (In the Senate - Filed March 12, 2003; March 19, 2003, read
1-3 first time and referred to Committee on Education; May 6, 2003, with
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 6, Nays 0; May 6, 2003, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 1210 By: West

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to consideration of a bidder's principal place of business
1-10 in awarding certain municipal and school district contracts.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subsections (a) and (b), Section 271.905, Local
1-13 Government Code, are amended to read as follows:

1-14 (a) In this section, "local government" means a
1-15 municipality [~~with a population of 200,000 or less~~], a county [~~with~~
1-16 ~~a population of 400,000 or less~~], or another political subdivision
1-17 authorized under this title to purchase real property or personal
1-18 property that is not affixed to real property. [~~The term does not~~
1-19 ~~include a school district.~~]

1-20 (b) In purchasing under this title any real property, [~~or~~]
1-21 personal property that is not affixed to real property, or services
1-22 other than professional services, if a local government receives
1-23 one or more bids from a bidder whose principal place of business is
1-24 in the local government and whose bid is within five [~~three~~] percent
1-25 of the lowest bid price received by the local government from a
1-26 bidder who is not a resident of the local government, the local
1-27 government may enter into a contract with:

1-28 (1) the lowest bidder; or

1-29 (2) the bidder whose principal place of business is in
1-30 the local government if the governing body of the local government
1-31 determines, in writing, that the local bidder offers the local
1-32 government the best combination of contract price and additional
1-33 economic development opportunities for the local government
1-34 created by the contract award, including the employment of
1-35 residents of the local government and increased tax revenues to the
1-36 local government.

1-37 SECTION 2. Section 44.031, Education Code, is amended by
1-38 adding Subsection (b-1) to read as follows:

1-39 (b-1) In awarding a contract using a method described under
1-40 Subsection (a)(1) or (2), a school district may consider a bidder's
1-41 or offeror's principal place of business in the manner provided by
1-42 Section 271.905, Local Government Code.

1-43 SECTION 3. Section 44.033, Education Code, is amended by
1-44 amending Subsection (c) and adding Subsection (f) to read as
1-45 follows:

1-46 (c) Before the district makes a purchase from a category of
1-47 personal property, the district must obtain written or telephone
1-48 price quotations from at least three vendors from the list for that
1-49 category. If fewer than three vendors are on the list, the district
1-50 shall contact each vendor on the list. Whenever possible,
1-51 telephone quotes should be confirmed in writing by mail or
1-52 facsimile. The bidding records must be retained with the school's
1-53 competitive bidding records and are subject to audit. Except as
1-54 provided by Subsection (f), the [~~The~~] purchase shall be made from
1-55 the lowest responsible bidder.

1-56 (f) In awarding a contract under this section, a school
1-57 district may consider a bidder's principal place of business in the
1-58 manner provided by Section 271.905, Local Government Code.

1-59 SECTION 4. This Act takes effect September 1, 2003, and
1-60 applies only to a contract for which the initial notice soliciting
1-61 bids or proposals is given on or after that date. A contract for
1-62 which the initial notice soliciting bids or proposals is given
1-63 before September 1, 2003, is governed by the law in effect when the

2-1 initial notice is given, and the former law is continued in effect
2-2 for that purpose.

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