

BILL ANALYSIS

Senate Research Center
79R6800 MXM-D

H.B. 664
By: Isett (Duncan)
Intergovernmental Relations
5/17/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Local Government Code allows consideration of a bidder's principle place of business when awarding contracts that were open for bid if the local bidder's price is within three percent of the lowest bid.

H.B. 664 allows a government body that has solicited a bid to factor in the bidder's place of business when awarding a bid contract if the local bidder's price is within five percent of the lowest bid. The bill also authorizes school districts to consider this factor in awarding 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 Z, Chapter 271, Local Government Code, by adding Section 271.9051, as follows:

Sec. 271.9051. CONSIDERATION OF LOCATION OF BIDDER'S PRINCIPAL PLACE OF BUSINESS IN CERTAIN MUNICIPALITIES. (a) Specifies that this section applies only to a certain municipality.

(b) Authorizes the municipality, in purchasing under this title any real property, personal property that is not affixed to real property, or services, if a municipality receives one or more competitive sealed bids from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident of the municipality, to enter into a contract with the lowest bidder, or the local bidder, if certain conditions are met.

(c) Provides that this section does not prohibit a municipality from rejecting all bids.

SECTION 2. Amends Section 44.031, Education Code, by adding Subsection (b-1), as follows:

(b-1) Authorizes a certain school district, in awarding a contract by competitive sealed bid under this section, to consider a bidder's principal place of business in the manner provided by Section 271.9051, Local Government Code.

SECTION 3. Amends Section 44.033, Education Code, by amending Subsection (c) and adding Subsection (f), as follows:

(c) Creates an exception as provided in Subsection (f).

(f) Authorizes a certain school district, in awarding a contract by competitive sealed bid under this section, to consider a bidder's principal place of business in the manner provided by Section 271.9051, Local Government Code.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2005.