

By: Isett

H.B. No. 664

Substitute the following for H.B. No. 664:

By: Smith of Harris

C.S.H.B. No. 664

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. Subchapter Z, Chapter 271, Local Government  
6 Code, is amended by adding Section 271.9051 to read as follows:

7 Sec. 271.9051. CONSIDERATION OF LOCATION OF BIDDER'S  
8 PRINCIPAL PLACE OF BUSINESS IN CERTAIN MUNICIPALITIES. (a) This  
9 section applies only to a municipality with a population of less  
10 than 250,000 that is authorized under this title to purchase real  
11 property or personal property that is not affixed to real property.

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

20 (1) the lowest bidder; or

21 (2) the bidder whose principal place of business is in  
22 the municipality if the governing body of the municipality  
23 determines, in writing, that the local bidder offers the  
24 municipality the best combination of contract price and additional

1 economic development opportunities for the municipality created by  
2 the contract award, including the employment of residents of the  
3 municipality and increased tax revenues to the municipality.

4 (c) This section does not prohibit a municipality from  
5 rejecting all bids.

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 by competitive sealed bid under  
9 this section, a school district that has its central administrative  
10 office located in a municipality with a population of less than  
11 250,000 may consider a bidder's principal place of business in the  
12 manner provided by Section 271.9051, Local Government Code.

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

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

26 (f) In awarding a contract by competitive sealed bid under  
27 this section, a school district that has its central administrative

1 office located in a municipality with a population of less than  
2 250,000 may consider a bidder's principal place of business in the  
3 manner provided by Section 271.9051, Local Government Code.

4 SECTION 4. This Act applies only to a contract for which the  
5 initial notice soliciting bids is given on or after the effective  
6 date of this Act. A contract for which the initial notice  
7 soliciting bids is given before that date is governed by the law in  
8 effect when the initial notice is given, and the former law is  
9 continued in effect for that purpose.

10 SECTION 5. This Act takes effect September 1, 2005.