

By: Isett

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. Section 271.905(b), Local Government Code, is
6 amended to read as follows:

7 (b) In purchasing under this title any real property, ~~or~~
8 personal property that is not affixed to real property, or
9 services, if a local government receives one or more bids from a
10 bidder whose principal place of business is in the local government
11 and whose bid is within five ~~three~~ percent of the lowest bid price
12 received by the local government from a bidder who is not a resident
13 of the local government, the local government may enter into a
14 contract with:

15 (1) the lowest bidder; or

16 (2) the bidder whose principal place of business is in
17 the local government if the governing body of the local government
18 determines, in writing, that the local bidder offers the local
19 government the best combination of contract price and additional
20 economic development opportunities for the local government
21 created by the contract award, including the employment of
22 residents of the local government and increased tax revenues to the
23 local government.

24 SECTION 2. Section 44.031, Education Code, is amended by

1 adding Subsection (b-1) to read as follows:

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

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

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

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

22 SECTION 4. This Act applies only to a contract for which the
23 initial notice soliciting bids or proposals is given on or after the
24 effective date of this Act. A contract for which the initial notice
25 soliciting bids or proposals is given before that date is governed
26 by the law in effect when the initial notice is given, and the
27 former law is continued in effect for that purpose.

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