

1-1 By: Isett (Senate Sponsor - Duncan) H.B. No. 664
1-2 (In the Senate - Received from the House May 4, 2005;
1-3 May 5, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 21, 2005, reported adversely,
1-5 with favorable Committee Substitute by the following vote: Yeas 5,
1-6 Nays 0; May 21, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 664 By: Wentworth

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to consideration of a bidder's principal place of business
1-11 in awarding certain municipal and school district contracts.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter Z, Chapter 271, Local
1-14 Government Code, is amended by adding Section 271.9051 to read as
1-15 follows:

1-16 Sec. 271.9051. CONSIDERATION OF LOCATION OF BIDDER'S
1-17 PRINCIPAL PLACE OF BUSINESS IN CERTAIN MUNICIPALITIES. (a) This
1-18 section applies only to a municipality with a population of less
1-19 than 250,000 that is authorized under this title to purchase real
1-20 property or personal property that is not affixed to real property.

1-21 (b) In purchasing under this title any real property,
1-22 personal property that is not affixed to real property, or
1-23 services, other than construction services, if a municipality
1-24 receives one or more competitive sealed bids from a bidder whose
1-25 principal place of business is in the municipality and whose bid is
1-26 within five percent of the lowest bid price received by the
1-27 municipality from a bidder who is not a resident of the
1-28 municipality, the municipality may enter into a contract with:

1-29 (1) the lowest bidder; or

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

1-37 (c) This section does not prohibit a municipality from
1-38 rejecting all bids.

1-39 (d) Subsection (b)(2) does not apply to the purchase of
1-40 telecommunications services as defined in 47 U.S.C 153(46) or
1-41 information services as defined in 47 U.S.C 153.

1-42 SECTION 2. Section 44.031, Education Code, is amended by
1-43 adding Subsection (b-1) to read as follows:

1-44 (b-1) In awarding a contract by competitive sealed bid under
1-45 this section, a school district that has its central administrative
1-46 office located in a municipality with a population of less than
1-47 250,000 may consider a bidder's principal place of business in the
1-48 manner provided by Section 271.9051, Local Government Code for the
1-49 items and services listed in that section. This subsection does not
1-50 apply to the purchase of telecommunications services as defined in
1-51 47 U.S.C 153.

1-52 SECTION 3. Section 44.033, Education Code, is amended by
1-53 amending Subsection (c) and adding Subsection (f) to read as
1-54 follows:

1-55 (c) Before the district makes a purchase from a category of
1-56 personal property, the district must obtain written or telephone
1-57 price quotations from at least three vendors from the list for that
1-58 category. If fewer than three vendors are on the list, the district
1-59 shall contact each vendor on the list. Whenever possible, telephone
1-60 quotes should be confirmed in writing by mail or facsimile. The
1-61 bidding records must be retained with the school's competitive
1-62 bidding records and are subject to audit. Except as provided by
1-63 Subsection (f), the [The] purchase shall be made from the lowest

2-1 responsible bidder.

2-2 (f) In awarding a contract by competitive sealed bid under
2-3 this section, a school district that has its central administrative
2-4 office located in a municipality with a population of less than
2-5 250,000 may consider a bidder's principal place of business in the
2-6 manner provided by Section 271.9051, Local Government Code. This
2-7 subsection does not apply to the purchase of telecommunications
2-8 services or information services as defined in 47 U.S.C 153.

2-9 SECTION 4. This Act applies only to a contract for which
2-10 the initial notice soliciting bids is given on or after the
2-11 effective date of this Act. A contract for which the initial notice
2-12 soliciting bids is given before that date is governed by the law in
2-13 effect when the initial notice is given, and the former law is
2-14 continued in effect for that purpose.

2-15 SECTION 5. This Act takes effect September 1, 2005.

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