

By: Turner

H.B. No. 908

A BILL TO BE ENTITLED

AN ACT

relating to the use of the reverse auction procedure by the Texas Building and Procurement Commission and other state agencies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2155.062, Government Code, is amended by amending Subsections (a) and (d) and adding Subsection (e) to read as follows:

(a) Except as provided by Subsection (e), in [In] purchasing goods and services the commission may use, but is not limited to, the:

(1) contract purchase procedure;

(2) multiple award contract procedure, including under any schedules developed under Subchapter I;

(3) open market purchase procedure; or

(4) reverse auction procedure.

(d) In this subchapter [~~section~~], "reverse auction procedure" means:

(1) a real-time bidding process usually lasting less than one hour and taking place at a previously scheduled time and Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services; or

(2) a bidding process usually lasting less than two weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple

1 suppliers, anonymous to each other, submit bids to provide the
2 designated goods or services.

3 (e) The commission and other state agencies may not use the
4 reverse auction procedure in obtaining goods or services, including
5 professional or consulting services subject to Chapter 2254,
6 related to the construction, remodeling, repair, or maintenance of
7 a building or other public work.

8 SECTION 2. Subchapter B, Chapter 2155, Government Code, is
9 amended by adding Section 2155.085 to read as follows:

10 Sec. 2155.085. REVERSE AUCTION PROCEDURE. (a) The
11 commission shall:

12 (1) except as provided by Section 2155.062(e),
13 purchase goods or services using the reverse auction procedure
14 whenever:

15 (A) the procedure provides the best value to the
16 state; or

17 (B) all purchasing methods provide equal value to
18 the state;

19 (2) offer historically underutilized businesses
20 assistance and training relating to the reverse auction procedure;
21 and

22 (3) advise historically underutilized businesses on
23 contracts available using the reverse auction procedure.

24 (b) The commission shall set a goal of purchasing at least
25 20 percent of the dollar value of goods or services purchased by the
26 commission using the reverse auction procedure.

27 (c) On or before December 1, 2006, the commission shall

1 report to the governor, the lieutenant governor, the speaker of the
2 house of representatives, the chair of the Senate Finance
3 Committee, and the chair of the House Appropriations Committee on
4 the effectiveness of using the reverse auction procedure to
5 purchase goods and services, including any cost savings realized by
6 the state from using the procedure. This subsection expires
7 September 1, 2007.

8 SECTION 3. This Act takes effect September 1, 2005.