

1-1 By: Turner (Senate Sponsor - Estes) H.B. No. 908
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on
1-4 Government Organization; May 20, 2005, reported favorably, as
1-5 amended, by the following vote: Yeas 6, Nays 0; May 20, 2005, sent
1-6 to printer.)

1-7 COMMITTEE AMENDMENT NO. 1 By: Harris

1-8 Amend HB 908 as follows:

1-9 In Section 1, Subsection (a), strike "Except as provided by
1-10 Subsection (e), in".

1-11 In Section 1, Subsection (a), replace "[In]" with "In".

1-12 In Section 1, strike Subsection (e).

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the use of the reverse auction procedure by the Texas
1-16 Building and Procurement Commission and other state agencies.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Section 2155.062, Government Code, is amended by
1-19 amending Subsections (a) and (d) and adding Subsection (e) to read
1-20 as follows:

1-21 (a) Except as provided by Subsection (e), in [In] purchasing
1-22 goods and services the commission may use, but is not limited to,
1-23 the:

1-24 (1) contract purchase procedure;

1-25 (2) multiple award contract procedure, including
1-26 under any schedules developed under Subchapter I;

1-27 (3) open market purchase procedure; or

1-28 (4) reverse auction procedure.

1-29 (d) In this subchapter [~~section~~], "reverse auction
1-30 procedure" means:

1-31 (1) a real-time bidding process usually lasting less
1-32 than one hour and taking place at a previously scheduled time and
1-33 Internet location, in which multiple suppliers, anonymous to each
1-34 other, submit bids to provide the designated goods or services; or

1-35 (2) a bidding process usually lasting less than two
1-36 weeks and taking place during a previously scheduled period and at a
1-37 previously scheduled Internet location, in which multiple
1-38 suppliers, anonymous to each other, submit bids to provide the
1-39 designated goods or services.

1-40 (e) The commission and other state agencies may not use the
1-41 reverse auction procedure in obtaining goods or services, including
1-42 professional or consulting services subject to Chapter 2254,
1-43 related to the construction, remodeling, repair, or maintenance of
1-44 a building or other public work.

1-45 SECTION 2. Subchapter B, Chapter 2155, Government Code, is
1-46 amended by adding Section 2155.085 to read as follows:

1-47 Sec. 2155.085. REVERSE AUCTION PROCEDURE. (a) The
1-48 commission shall:

1-49 (1) except as provided by Section 2155.062(e),
1-50 purchase goods or services using the reverse auction procedure
1-51 whenever:

1-52 (A) the procedure provides the best value to the
1-53 state; or

1-54 (B) all purchasing methods provide equal value to
1-55 the state;

1-56 (2) offer historically underutilized businesses
1-57 assistance and training relating to the reverse auction procedure;
1-58 and

1-59 (3) advise historically underutilized businesses on
1-60 contracts available using the reverse auction procedure.

1-61 (b) The commission shall set a goal of purchasing at least
1-62 20 percent of the dollar value of goods or services purchased by the

2-1 commission using the reverse auction procedure.

2-2 (c) On or before December 1, 2006, the commission shall
2-3 report to the governor, the lieutenant governor, the speaker of the
2-4 house of representatives, the chair of the Senate Finance
2-5 Committee, and the chair of the House Appropriations Committee on
2-6 the effectiveness of using the reverse auction procedure to
2-7 purchase goods and services, including any cost savings realized by
2-8 the state from using the procedure. This subsection expires
2-9 September 1, 2007.

2-10 SECTION 3. This Act takes effect September 1, 2005.

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