

By: Shapleigh

S.B. No. 70

A BILL TO BE ENTITLED

AN ACT

relating to the provision of a preference in governmental purchasing decisions for vendors that provide health benefits to employees.

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

SECTION 1. Section 44.031(b), Education Code, is amended to read as follows:

(b) Except as provided by this subchapter, in determining to whom to award a contract, the district may consider:

- (1) the purchase price;
- (2) the reputation of the vendor and of the vendor's goods or services;
- (3) the quality of the vendor's goods or services;
- (4) the extent to which the goods or services meet the district's needs;
- (5) the vendor's past relationship with the district;
- (6) the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;
- (7) the total long-term cost to the district to acquire the vendor's goods or services; ~~and~~
- (8) whether the vendor provides health benefits coverage to employees; and
- (9) any other relevant factor specifically listed in

1 the request for bids or proposals.

2 SECTION 2. Subchapter B, Chapter 44, Education Code, is
3 amended by adding Section 44.0421 to read as follows:

4 Sec. 44.0421. PREFERENCE FOR VENDORS THAT PROVIDE HEALTH
5 BENEFITS COVERAGE. (a) A district procuring goods or services
6 shall give preference to goods or services of a vendor that
7 demonstrates that the vendor provides health benefits coverage to
8 the vendor's employees if:

9 (1) the goods or services meet district specifications
10 regarding quantity and quality; and

11 (2) the cost of the good or service does not exceed the
12 cost of other similar goods or services that are produced by a
13 vendor that does not demonstrate that the vendor provides health
14 benefits coverage to the vendor's employees.

15 (b) A district may not give preference under Subsection (a)
16 to a vendor that provides health benefits coverage to its employees
17 over a vendor with 50 or fewer employees that does not provide
18 health benefits coverage to its employees.

19 SECTION 3. Section 2155.074(b), Government Code, is amended
20 to read as follows:

21 (b) In determining the best value for the state, the
22 purchase price and whether the goods or services meet
23 specifications are the most important considerations. However, the
24 commission or other state agency may, subject to Subsection (c) and
25 Section 2155.075, consider other relevant factors, including:

26 (1) installation costs;

27 (2) life cycle costs;

1 (3) the quality and reliability of the goods and
2 services;

3 (4) the delivery terms;

4 (5) indicators of probable vendor performance under
5 the contract such as past vendor performance, the vendor's
6 financial resources and ability to perform, the vendor's experience
7 or demonstrated capability and responsibility, and the vendor's
8 ability to provide reliable maintenance agreements and support;

9 (6) the cost of any employee training associated with
10 a purchase;

11 (7) the effect of a purchase on agency productivity;

12 (8) the vendor's anticipated economic impact to the
13 state or a subdivision of the state, including potential tax
14 revenue and employment;

15 (9) whether the vendor provides health benefits
16 coverage to employees; and

17 (10) ~~[(9)]~~ other factors relevant to determining the
18 best value for the state in the context of a particular purchase.

19 SECTION 4. Subchapter H, Chapter 2155, Government Code, is
20 amended by adding Section 2155.452 to read as follows:

21 Sec. 2155.452. PREFERENCE FOR VENDORS THAT PROVIDE HEALTH
22 BENEFITS COVERAGE. (a) The commission and all state agencies
23 procuring goods or services shall give preference to goods or
24 services of a vendor that demonstrates that the vendor provides
25 health benefits coverage to the vendor's employees if:

26 (1) the goods or services meet state specifications
27 regarding quantity and quality; and

1 (2) the cost of the good or service does not exceed the
2 cost of other similar goods or services that are produced by a
3 vendor that does not demonstrate that the vendor provides health
4 benefits coverage to the vendor's employees.

5 (b) The commission or a state agency may not give preference
6 under Subsection (a) to a vendor that provides health benefits
7 coverage to its employees over a vendor with 50 or fewer employees
8 that does not provide health benefits coverage to its employees.

9 SECTION 5. Section 44.0421, Education Code, and Section
10 2155.452, Government Code, as added by this Act, apply only to a
11 contract for the procurement of goods and services for which the
12 solicitation of bids or proposals, request for proposals, or
13 similar required notification as to the goods or services is
14 published on or after September 1, 2005. A contract for the
15 procurement of goods and services for which the solicitation of
16 bids or proposals, request for proposals, or similar required
17 notification as to the goods or services is published before
18 September 1, 2005, is governed by the law in effect at the time the
19 solicitation, request, or notification is published, and that law
20 is continued in effect for that purpose.

21 SECTION 6. This Act takes effect September 1, 2005.