

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 20, 2005

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB908 by Turner (Relating to the use of the reverse auction procedure by the Texas Building and Procurement Commission and other state agencies.), **Committee Report 2nd House, As Amended**

No significant fiscal implication to the State is anticipated.

The bill would direct the Texas Building and Procurement Commission to use reverse auctions whenever that procedure provides the best value to the state or all purchasing methods provide equal value to the state. In addition, the agency shall offer historically underutilized businesses assistance and training relating to reverse auction procedures. The agency shall also set a goal of purchasing at least 20 percent of the dollar value of goods or services purchased using the reverse auction process. The agency is further directed to report the effectiveness and cost savings realized by using the reverse auction process.

This bill would take effect September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission

LBB Staff: JOB, LB, SR, JM