

BILL ANALYSIS

H.B. 3517
By: Creighton
Government Reform
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, local government entities use the process of competitive sealed bids for expenditures of \$25,000 or more with a few exceptions: professional services, high technology items, and insurance. This bill allows the competitive sealed bid process to be used for high technology and insurance expenditures. The bill also allows entities to use competitive sealed proposals in place of bids if it is more cost effective and if they meet certain requirements. The bill eliminates language containing size requirements for municipalities and counties so local government entities of all sizes may use this process.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

This bill amends the Local Government Code to eliminate the size criteria for municipalities and counties to use the competitive sealed proposal procedure; as well as allows municipalities, or as appropriate a designated representative by a municipality, to use the competitive sealed proposal procedure for the purchase of goods and services, including high technology items and insurance.

If the competitive sealed proposals requirement applies to the contract, the municipality must consider the criteria described by Section 252.043(b) of the Local Government Code and the discussions conducted under Section 252.042 to determine the best value for the municipality. Additionally, the bill states that a municipality that considers using a method other than competitive sealed bidding, must determine which other method of purchase provides the municipality with the best value and then give notice of its intent to use another method.

EFFECTIVE DATE

September 1, 2007.