By:Davis of HarrisH.B. No. 1246Substitute the following for H.B. No. 1246:C.S.H.B. No. 1246By:SolomonsC.S.H.B. No. 1246

A BILL TO BE ENTITLED

1 AN ACT 2 relating to the provision of a preference in certain governmental purchasing decisions for vendors or contractors that provide health 3 care benefits or equivalent health savings benefits to employees. 4 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 6 SECTION 1. Section 44.031(b), Education Code, is amended to read as follows: 7 Except as provided by this subchapter, in determining to 8 (b) 9 whom to award a contract, the district shall consider: (1) the purchase price; 10 11 (2) the reputation of the vendor and of the vendor's 12 goods or services; the quality of the vendor's goods or services; 13 (3) the extent to which the goods or services meet the 14 (4) district's needs; 15 (5) the vendor's past relationship with the district; 16 the impact on the ability of the district to comply 17 (6) with laws and rules relating to historically underutilized 18 19 businesses; the total long-term cost to the district to 20 (7) 21 acquire the vendor's goods or services; [and] 22 whether the vendor pays at least 50 percent of the (8) 23 premium for the health care benefits of each participating employee or deposits in a health savings account for each participating 24

C.S.H.B. No. 1246 1 employee an amount equal to at least 50 percent of the health care 2 benefit premium the vendor would pay for each participating 3 employee if the vendor provided health care benefits; and 4 (9) any other relevant factor specifically listed in 5 the request for bids or proposals. 6 SECTION 2. Subchapter B, Chapter 44, Education Code, is 7 amended by adding Section 44.0421 to read as follows: 8 Sec. 44.0421. PREFERENCE FOR VENDORS THAT PROVIDE HEALTH CARE BENEFITS OR EQUIVALENT HEALTH SAVINGS BENEFITS. (a) A school 9 district procuring goods or services shall give preference to goods 10 or services of a vendor that demonstrates that the vendor pays at 11 12 least 50 percent of the premium for the health care benefits of each participating employee, or deposits in a health savings account for 13 14 each participating employee an amount equal to at least 50 percent 15 of the health care benefit premium the vendor would pay for each participating employee if the vendor provided health care benefits, 16 17 if: 18 (1) the goods or services meet district specifications 19 regarding quantity and quality; and (2) the cost of the goods or services does not exceed 20 the cost of similar goods or services produced by a vendor that does 21 not demonstrate that the vendor provides health care benefits or 22 equivalent health savings benefits to the vendor's employees. 23 24 (b) A contract awarded to a vendor using the preference under this section must include terms that allow the district to 25 26 terminate the contract if the vendor at any time during the life of the contract does not continue to provide health care benefits or 27

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1 equivalent health savings benefits at a level comparable to the
2 level the vendor claimed to provide in its demonstration under
3 <u>Subsection (a).</u>

4 SECTION 3. Section 2155.074(b), Government Code, is amended 5 to read as follows:

6 (b) In determining the best value for the state, the purchase price and 7 whether the goods or services meet 8 specifications are the most important considerations. However, the commission or other state agency may, subject to Subsection (c) and 9 Section 2155.075, consider other relevant factors, including: 10

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(2) life cycle costs;

(1) installation costs;

13 (3) the quality and reliability of the goods and 14 services;

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(4) the delivery terms;

16 (5) indicators of probable vendor performance under 17 the contract such as past vendor performance, the vendor's 18 financial resources and ability to perform, the vendor's experience 19 or demonstrated capability and responsibility, and the vendor's 20 ability to provide reliable maintenance agreements and support;

21 (6) the cost of any employee training associated with 22 a purchase;

(7) the effect of a purchase on agency productivity;
 (8) the vendor's anticipated economic impact to the
 state or a subdivision of the state, including potential tax
 revenue and employment; [and]

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(9) whether the vendor pays at least 50 percent of the

1 premium for the health care benefits of each participating employee 2 or deposits in a health savings account for each participating employee an amount equal to at least 50 percent of the health care 3 benefit premium the vendor would pay for each participating 4 5 employee if the vendor provided health care benefits; and 6 (10) other factors relevant to determining the best 7 value for the state in the context of a particular purchase. 8 SECTION 4. Subchapter H, Chapter 2155, Government Code, is amended by adding Section 2155.454 to read as follows: 9 Sec. 2155.454. PREFERENCE FOR VENDORS THAT PROVIDE HEALTH 10 CARE BENEFITS OR EQUIVALENT HEALTH SAVINGS BENEFITS. (a) The 11 12 comptroller and all state agencies procuring goods or services shall give preference to goods or services of a vendor that 13 14 demonstrates that the vendor pays at least 50 percent of the premium 15 for the health care benefits of each participating employee, or deposits in a health savings account for each participating 16 17 employee an amount equal to at least 50 percent of the health care benefit premium the vendor would pay for each participating 18 19 employee if the vendor provided health care benefits, if: (1) the goods or services meet state specifications 20

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21 regarding quantity and quality; and

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22 (2) the cost of the goods or services does not exceed 23 the cost of other similar goods or services produced by a vendor 24 that does not demonstrate that the vendor provides health care 25 benefits or equivalent health savings benefits to the vendor's 26 employees.

(b) A contract awarded to a vendor using the preference

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1 under this section must include terms that allow the comptroller or 2 a state agency to terminate the contract if the vendor at any time 3 during the life of the contract does not continue to provide health 4 care benefits or equivalent health savings benefits at a level 5 comparable to the level the vendor claimed to provide in its 6 demonstration under Subsection (a).

SECTION 5. Section 44.0421, Education Code, and Section 7 8 2155.454, Government Code, as added by this Act, apply only to a contract for the procurement of goods and services for which the 9 solicitation of bids or proposals, request for proposals, or 10 similar request for offers to provide the goods or services is first 11 published on or after September 1, 2009. A contract for the 12 procurement of goods and services for which the solicitation of 13 14 bids or proposals, request for proposals, or similar request for 15 offers to provide the goods or services is first published before September 1, 2009, is governed by the law in effect at the time the 16 17 solicitation or request is published, and that law is continued in effect for that purpose. 18

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SECTION 6. This Act takes effect September 1, 2009.