

BILL ANALYSIS

C.S.H.B. 800
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Government Efficiency & Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The purpose of state law regarding interlocal contracts between or among local governmental entities is to increase the efficiency and effectiveness of local governments by authorizing them to contract, to the greatest possible extent, with one another and with agencies of the state to achieve economies of scale. However, the expected economies of scale occasionally fail to materialize in the execution of some contracts for goods and services, including contracts for roofing materials and related services. Contracts involving vital structural services such as engineering or architectural services are excluded from interlocal cooperation contracts and must be open for competitive bidding.

C.S.H.B. 800 excludes roofing materials or services, including materials or services for repair or replacement of a roof, from interlocal contracts, if purchased from certain people.

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

C.S.H.B. 800 amends the Government Code to prohibit an interlocal contract between a governmental entity and a purchasing cooperative from being used to purchase roofing materials or services from a person who provided consulting services to the cooperative on the contract, including providing specifications for bids on the contract and specifies that "roofing materials or services" includes materials or services for repair or replacement of a roof. The bill makes this prohibition also applicable to a person that is an agent, subsidiary, or parent company of the person who consulted with the cooperative or a person related in the second degree of consanguinity or affinity to a person who consulted with the cooperative.

C.S.H.B. 800 creates a temporary provision, set to expire September 1, 2012, making the prohibition inapplicable to a renewal of a contract based on a request for proposal submitted, or substantially similar to a request for proposal submitted, before September 1, 2011, if the contract is renewed before September 1, 2012.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 800 differs from the original by prohibiting an interlocal contract between a governmental entity and a purchasing cooperative from being used to purchase roofing materials or services from a person who provided consulting services to the cooperative on the contract, whereas the original prohibits an interlocal contract between a governmental entity and a

purchasing cooperative from being used to purchase roofing materials or services without specifying a person.

C.S.H.B. 800 contains a provision not included in the original making this prohibition also applicable to a person that is an agent, subsidiary, or parent company of the person who consulted with the cooperative or a person related in the second degree of consanguinity or affinity to a person who consulted with the cooperative.

C.S.H.B. 800 contains a temporary provision not included in the original making the prohibition inapplicable to a renewal of a contract based on a request for proposal submitted, or substantially similar to a request for proposal submitted, before September 1, 2011, if the contract is renewed before September 1, 2012.