

BILL ANALYSIS

H.B. 902
By: Thompson
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, a city with a population of less than 250,000 can consider a bidder's principal place of business in awarding a contract under certain circumstances. A city with a population of more than 250,000, however, must award a contract that is subject to competitive bids to the lowest bidder, regardless of the bidder's principal place of business. H.B. 902 revises the present law to allow a municipality with a population of two million or more to consider a bidder's principal place of business when awarding a contract. Especially in today's hard economic times, it would be beneficial to cities to spend taxpayer money in a way that benefits the local economy and produces local jobs.

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

H.B. 902 amends the Local Government Code to authorize a municipality with a population of two million or more, in exercising its authority to purchase real property or personal property that is not affixed to real property or in purchasing services other than telecommunications or information services, to enter into a contract for an expenditure of less than \$100,000 with the bidder whose principal place of business is in the municipality as an alternative to entering into a contract with the lowest bidder. The bill makes the authorization contingent on whether the municipality receives one or more competitive sealed bids from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident of the municipality. The bill makes its provisions applicable only to a contract for which the initial notice soliciting bids is given on or after the effective date of the bill.

EFFECTIVE DATE

September 1, 2011.