

## **BILL ANALYSIS**

S.B. 438  
By: Birdwell  
Government Efficiency & Reform  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

According to interested parties, 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. The parties note, however, that the expected economies of scale occasionally fail to materialize in the execution of some contracts for goods and services such as contracts for roofing materials and related services. These parties further note that contracts involving vital structural services such as engineering or architectural services are excluded from interlocal cooperation contracts and must be open for competitive bidding. S.B. 438 seeks to exclude the purchase of roofing materials or services from interlocal contracts under certain circumstances.

### **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**

S.B. 438 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 specification for bids on the contract; from a person that is an agent, subsidiary, or parent company of the person who consulted with the cooperative; or from a person related in the second degree of consanguinity or affinity to a person who consulted with the cooperative. The bill adds a temporary provision, set to expire October 1, 2014, exempting from the prohibition the renewal of a contract based on a request for proposal submitted, or substantially similar to a request for proposal submitted, before October 1, 2013, if the contract is renewed before October 1, 2014.

### **EFFECTIVE DATE**

October 1, 2013.