

BILL ANALYSIS

Senate Research Center

H.B. 3242
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State Affairs
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Engrossed

DIGEST AND PURPOSE

A reverse auction is an online bidding procedure that can last as short as an hour or as long as two weeks. The auction takes place at a previously scheduled time and Internet location. Multiple suppliers access the website to bid on projects, with the ability to see what others have bid and offer lower amounts. H.B. 3242 requires the Texas Building and Procurement Commission to use reverse auctions for ten percent of purchases in the 2003-2005 biennium, twenty percent of purchases during the 2005-2007 biennium, and thirty percent of purchases thereafter.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2155.062(d), Government Code, to provide that the definition of "reverse auction procedure" applies for the subchapter, rather than the section.

SECTION 2. Amends Subchapter B, Chapter 2155, Government Code, by adding Section 2155.085, as follows:

Sec. 2155.085. REVERSE AUCTION PROCEDURE. (a) Requires at least 30 percent of the dollar value of goods purchased by the Texas Building and Procurement Commission (TBPC) to be purchased using the reverse auction procedure.

(b) Requires, notwithstanding Subsection (a), during the state fiscal biennium that begins September 1, 2003, at least 10 percent of the dollar value of goods purchased by TBPC to be purchased using the reverse auction procedure. Provides that this subsection expires September 1, 2005.

(c) Requires, notwithstanding Subsection (a), during the state fiscal biennium that begins September 1, 2005, at least 20 percent of the dollar value of goods purchased by TBPC to be purchased using the reverse auction procedure. Provides that this subsection expires September 1, 2007.

SECTION 3. Effective date: September 1, 2003.