

BILL ANALYSIS

Senate Research Center

H.B. 1892
By: Lewis, Glenn (Sponsor Unknown)
Intergovernmental Relations
5/11/2001
Engrossed

DIGEST AND PURPOSE

Current law provides that competitive sealed bids must be awarded to the lowest responsible bidder for a contract with a municipality for goods or services. However, there is no exact definition of "responsible" in relation to the competitive sealed bidding process. In 1995, legislation was enacted which allows school districts to use eight evaluation criteria in determining the best value to the school district in purchasing under a sealed bid. In addition, the competitive bidding limit for a municipality and a crime control and prevention district (district) is set at \$15,000. During the 1999 legislative session, the county bidding limit was increased from \$15,000 to \$25,000. H.B. 1892 increases from \$15,000 to \$25,000 the maximum amount that a municipality or a district may expend without being subject to competitive bidding and proposal requirements and sets forth factors to be considered when determining the best value for a contract award.

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 252.021(a), Local Government Code, to provide that before a municipality may enter into a contract that requires an expenditure of more than \$25,000, rather than \$15,000, from one or more municipal funds, it is required to comply with the procedure prescribed by this chapter for competitive sealed bidding or competitive sealed proposals.

SECTION 2. Amends Section 252.0215, Local Government Code, to make a conforming change.

SECTION 3. Amends Chapter 252C, Local Government Code, by amending Section 252.043 and redesignating Section 252.043(b) as Section 252.0431, as follows:

Sec. 252.043. New heading: AWARD OF CONTRACT: COMPETITIVE SEALED BIDDING. Provides that if the competitive sealed bidding requirement applies to the contract, the contract must be awarded to the bidder who provides goods or services at the best value for the municipality. Sets forth factors that the municipality is authorized to consider.

Sec. 252.0431. AWARD OF CONTRACT: COMPETITIVE SEALED PROPOSALS. Redesignated from Section 252.043(b) with no changes.

SECTION 4. Amends Section 252.0435, Local Government Code, to make conforming changes.

SECTION 5. Amends Section 363.156(b), Local Government Code, to make a conforming change.

SECTION 6. Effective date: September 1, 2001.