

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1366
By: Van de Putte
State Affairs
5/1/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, the “best value to the state” standard in awarding state contracts only requires the purchase price and whether the goods or services meet specifications to be considered. The standard does not require a state agency to contemplate what the economic impact to the state might be if jobs or revenue are gained or lost as a result of the awarding of that procurement contract to out-of-state vendors who make no long-term economic investment in Texas. C.S.S.B. 1366 amends several sections of the Government Code to require that in certain instances preference be given to Texas bidders in awarding contracts for the procurement of goods and services for government entities.

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 2155.074(b), Government Code, to provide that, in determining the best value for the state, the purchase price, whether the goods or services meet specifications, and the anticipated economic impact on the state, including sales, ad valorem tax revenue, and any gain or loss of jobs, are the most important considerations.

SECTION 2. Amends Chapter 2155H, Government Code, by adding Section 2155.4439, as follows:

Sec. 2155.4439. PREFERENCE TO TEXAS BIDDERS. (a) Authorizes the General Services Commission (commission) and all state agencies procuring goods or services to give preference to a Texas bidder if certain conditions are met.

(b) Requires the procuring agency, for each contemplated procurement that will have a value greater than \$100 million to promptly inform the comptroller of the contemplated procurement. Requires the comptroller to complete a tax revenue analysis before a certain date and complete the requested analysis not later than the 14th day after the date of receipt of all information necessary to conduct the analysis.

(c) Provides that, in the event of a conflict between this section and Section 2252.002 (Award of Contract to Nonresident Bidder), this section controls.

(d) Defines “Texas bidder.”

SECTION 3. Amends Section 466.105(a), Government Code, to provide that a contract for the acquisition or provision of facilities, supplies, equipment, materials, or services related to the operation of the lottery is not subject to Subtitle D, Title 10, except that Section 2155.4439 applies to the contract.

SECTION 4. Amends Sections 2155.444(a) and (b), Government Code, as follows:

(a) Requires the commission and all state agencies making purchases of goods, including agricultural products, to the extent consistent with Section 2155.4439, to give preference to certain goods produced or grown in this state or offered by Texas bidders, under certain conditions.

(b) Requires that, except as provided by Section 2155.4439, if goods, including agricultural products, produced or grown in this state or offered by Texas bidders are not equal in cost and quality to other products, then goods, including agricultural products, produced or grown in other states of the United States be given preference over foreign products if the cost to the state and quality are equal.

SECTION 5. Effective date: upon passage or September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Adds a new SECTION 1.

SECTION 2. Redesignates original SECTION 1 as SECTION 2. Amends text to authorize, rather than require, the commission and all state agencies procuring goods or services to give preference to a Texas bidder under certain conditions. Makes a nonsubstantive change. Replaces “\$100,000,” with “\$100 million.” Redefines “Texas bidder.”

SECTION 3. Redesignates original SECTION 2 as SECTION 3. No changes in text.

SECTION 4. Redesignates original SECTION 3 as SECTION 4. No changes in text.

Adds a new SECTION 5. Provides that this Act becomes effective upon passage or September 1, 2001, while the original limited the effective date to September 1, 2001.