

BILL ANALYSIS

H.B. 3242
By: Pitts
Government Reform
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Legislation passed during the 77th Legislative Session authorized the Texas Building and Procurement Commission (formerly General Services Commission) to use online “reverse auctions” to purchase goods and services. In a reverse auction, suppliers, rather than buyers, bid on-line for contracts. Prices for goods and services begin high, and are driven down as suppliers compete for a winning bid. 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

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

SECTION 1. Amends Section 2155.062(d), Government Code, to define “reverse auction procedure” in this subchapter, rather than section.

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

Section 2155.085(a). Adds new language requiring the Texas Building and Procurement Commission to use a reverse auction procedure to purchase at least 30 percent of the dollar value of goods and services purchased by the commission each year.

Section 2155.085(b). Adds new language requiring the commission, notwithstanding subsection (a), to use a reverse auction procedure to purchase ten percent of the dollar value goods and services during the biennium beginning September 1, 2003. This subsection expires September 1, 2005.

Section 2155.085(c). Adds new language requiring the commission, notwithstanding subsection (a), to use a reverse auction procedure to purchase twenty percent of the dollar value of goods and services during the biennium beginning September 1, 2005. This subsection expires September 1, 2007.

SECTION 3. Effective Date.

EFFECTIVE DATE

The Act takes effect September 1, 2003.

