

AN ACT

relating to consideration of a bidder's principal place of business in awarding certain municipal and school district contracts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 271.905(a) and (b), Local Government Code, are amended to read as follows:

(a) In this section, "local government" means a municipality with a population of 225,000 [~~200,000~~] or less, a county with a population of 400,000 or less, or another political subdivision authorized under this title to purchase real property or personal property that is not affixed to real property. [~~The term does not include a school district.~~]

(b) In purchasing under this title any real property, [~~or~~] personal property that is not affixed to real property, or services other than professional services, if a local government receives one or more bids from a bidder whose principal place of business is in the local government and whose bid is within five [~~three~~] percent of the lowest bid price received by the local government from a bidder who is not a resident of the local government, the local government may enter into a contract with:

(1) the lowest bidder; or

(2) the bidder whose principal place of business is in the local government if the governing body of the local government determines, in writing, that the local bidder offers the local

1 government the best combination of contract price and additional
2 economic development opportunities for the local government
3 created by the contract award, including the employment of
4 residents of the local government and increased tax revenues to the
5 local government.

6 SECTION 2. Section 44.031, Education Code, is amended by
7 adding Subsection (b-1) to read as follows:

8 (b-1) In awarding a contract using a method described under
9 Subsection (a)(1) or (a)(2), a school district may consider a
10 bidder's or offeror's principal place of business in the manner
11 provided by Section 271.905, Local Government Code.

12 SECTION 3. Section 44.033, Education Code, is amended by
13 amending Subsection (c) and adding Subsection (f) to read as
14 follows:

15 (c) Before the district makes a purchase from a category of
16 personal property, the district must obtain written or telephone
17 price quotations from at least three vendors from the list for that
18 category. If fewer than three vendors are on the list, the district
19 shall contact each vendor on the list. Whenever possible, telephone
20 quotes should be confirmed in writing by mail or facsimile. The
21 bidding records must be retained with the school's competitive
22 bidding records and are subject to audit. Except as provided by
23 Subsection (f), the ~~The~~ purchase shall be made from the lowest
24 responsible bidder.

25 (f) In awarding a contract under this section, a school
26 district may consider a bidder's principal place of business in the
27 manner provided by Section 271.905, Local Government Code.

1 SECTION 4. This Act takes effect September 1, 2003, and
2 applies only to a contract for which the initial notice soliciting
3 bids or proposals is given on or after that date. A contract for
4 which the initial notice soliciting bids or proposals is given
5 before September 1, 2003, is governed by the law in effect when the
6 initial notice is given, and the former law is continued in effect
7 for that purpose.

President of the Senate

Speaker of the House

I certify that H.B. No. 2493 was passed by the House on May 6, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2493 on May 23, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 2493 was passed by the Senate, with amendments, on May 21, 2003, by a viva-voce vote.

Secretary of the Senate

APPROVED: _____

Date

Governor