

1-1 By: Isett (Senate Sponsor - Duncan) H.B. No. 2493  
1-2 (In the Senate - Received from the House May 7, 2003;  
1-3 May 9, 2003, read first time and referred to Committee on  
1-4 Administration; May 16, 2003, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;  
1-6 May 16, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2493 By: Hinojosa

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to consideration of a bidder's principal place of business  
1-11 in awarding certain municipal and school district contracts.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Sections 271.905(a) and (b), Local Government  
1-14 Code, are amended to read as follows:

1-15 (a) In this section, "local government" means a  
1-16 municipality [~~with a population of 200,000 or less~~], a county [~~with~~  
1-17 ~~a population of 400,000 or less~~], or another political subdivision  
1-18 authorized under this title to purchase real property or personal  
1-19 property that is not affixed to real property. [~~The term does not~~  
1-20 ~~include a school district.~~]

1-21 (b) In purchasing under this title any real property, [or]  
1-22 personal property that is not affixed to real property, or services  
1-23 other than professional services, if a local government receives  
1-24 one or more bids from a bidder whose principal place of business is  
1-25 in the local government and whose bid is within five [~~three~~] percent  
1-26 of the lowest bid price received by the local government from a  
1-27 bidder who is not a resident of the local government, the local  
1-28 government may enter into a contract with:

1-29 (1) the lowest bidder; or

1-30 (2) the bidder whose principal place of business is in  
1-31 the local government if the governing body of the local government  
1-32 determines, in writing, that the local bidder offers the local  
1-33 government the best combination of contract price and additional  
1-34 economic development opportunities for the local government  
1-35 created by the contract award, including the employment of  
1-36 residents of the local government and increased tax revenues to the  
1-37 local government.

1-38 SECTION 2. Section 44.031, Education Code, is amended by  
1-39 adding Subsection (b-1) to read as follows:

1-40 (b-1) In awarding a contract using a method described under  
1-41 Subsection (a)(1) or (a)(2), a school district may consider a  
1-42 bidder's or offeror's principal place of business in the manner  
1-43 provided by Section 271.905, Local Government Code.

1-44 SECTION 3. Section 44.033, Education Code, is amended by  
1-45 amending Subsection (c) and adding Subsection (f) to read as  
1-46 follows:

1-47 (c) Before the district makes a purchase from a category of  
1-48 personal property, the district must obtain written or telephone  
1-49 price quotations from at least three vendors from the list for that  
1-50 category. If fewer than three vendors are on the list, the district  
1-51 shall contact each vendor on the list. Whenever possible, telephone  
1-52 quotes should be confirmed in writing by mail or facsimile. The  
1-53 bidding records must be retained with the school's competitive  
1-54 bidding records and are subject to audit. Except as provided by  
1-55 Subsection (f), the [The] purchase shall be made from the lowest  
1-56 responsible bidder.

1-57 (f) In awarding a contract under this section, a school  
1-58 district may consider a bidder's principal place of business in the  
1-59 manner provided by Section 271.905, Local Government Code.

1-60 SECTION 4. This Act takes effect September 1, 2003, and  
1-61 applies only to a contract for which the initial notice soliciting  
1-62 bids or proposals is given on or after that date. A contract for  
1-63 which the initial notice soliciting bids or proposals is given

2-1 before September 1, 2003, is governed by the law in effect when the  
2-2 initial notice is given, and the former law is continued in effect  
2-3 for that purpose.

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