

**SUBJECT:** Local intergovernmental purchasing contracts without bids

**COMMITTEE:** County Affairs — favorable, with amendment

**VOTE:** 6 ayes — R. Lewis, Chisum, Hamric, G. Lewis, Muñoz, Wohlgemuth  
0 nays  
3 absent — Gutierrez, Kamel, Longoria

**WITNESSES:** For — Craig Pardue, Dallas County  
Against — None

**BACKGROUND:** Local Government Code sec. 271.083 allows local governments to participate in purchasing programs of the General Services Commission.  
Government Code sec. 791.025 allows local governments to purchase goods and services jointly, or through a state agency.

**DIGEST:** HB 305, as amended, would amend Government Code sec. 791.025 to specify that a local government that purchases goods and services under the section has satisfied the requirement of the local government to seek competitive bids. The bill would take immediate effect if approved by two-thirds of the membership of each house.

**SUPPORTERS SAY:** HB 305 is necessary to clarify advertising and bidding requirements regarding joint purchases by local governments. Local entities that participate in group purchases through the General Services Commission are exempt from bidding requirements; local agencies that buy things together may be exempt as well, but the law is unclear. The lack of clarity is a problem for local governments that want to save time and money through cooperative purchasing.  
  
A small city may wish to join with a nearby large city in a purchase, for instance, to enjoy the economies of scale that a big order can bring. But currently it is unclear if the smaller city is technically required to go through a bidding process even though the main buyer already has done so.

HB 305 would make clear that no duplication of the bidding process is necessary.

This bill would help governments avoid the time and expense associated with soliciting new bids when they are unnecessary. This would ensure efficiency and monetary savings, with no change in the bidding requirements the law imposes on local governments in other circumstances.

**OPPONENTS  
SAY:**

The bill may need to clarify that at least one party in a joint purchasing arrangement must have taken competitive bids for the goods or services in question.

**NOTES:**

The committee amendment would change the wording referring to what bidding provisions would be satisfied. The phrase "any state law requiring" bids would be changed to "the requirement of" bids.