

SUBJECT: Exempting municipal housing programs from competitive bid requirements

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 6 ayes — Hill, Burnam, Clark, Ehrhardt, Hodge, Shields

0 nays

2 present, not voting — Bailey, Garcia

1 absent — Wohlgemuth

WITNESSES: For — Paul A. Cooper, Carlos Herrera

Against — None

BACKGROUND : Chapter 373 of the Local Government Code authorizes municipal community development programs directed at providing decent housing, suitable living environments and expanded economic opportunities for persons of low and moderate income. Municipalities receive mostly federal and some state funds to administer these programs. Under federal community development block grant requirements, municipalities commonly use the request-for-proposal process before contracting with a provider. Texas law requires municipalities to use the competitive sealed bid process before entering into a contract requiring an expenditure of more than \$15,000.

DIGEST: HB 2692 would exempt municipalities from state competitive bidding requirements on expenditures of funds derived from a federal or state appropriation, loan or grant made for the purposes of conducting a community development program, so long as the items were purchased under a request-for-proposal process.

The bill would take immediate effect if finally approved by a two-thirds record vote of the membership of each house.

HB 2692  
House Research Organization  
page 2

**SUPPORTERS**  
**SAY:** HB 2692 would streamline the contract process for community development programs by eliminating duplicative contracting procedures. After cities have gone through the very extensive federal request-for-proposal process, state law requires an additional competitive bid process that is unnecessary and causes extended delay for programs that are desperately needed.

**OPPONENTS**  
**SAY:** No apparent opposition.