

- SUBJECT:** Expanding local preference for municipal procurement
- COMMITTEE:** Urban Affairs — committee substitute recommended
- VOTE:** 6 ayes — Alvarado, R. Anderson, Bernal, Elkins, Schaefer, M. White  
0 nays  
1 absent — Hunter
- WITNESSES:** For — Troy Elliott, City of San Antonio; (*Registered, but did not testify:*  
Brie Franco, City of El Paso; Shanna Igo, Texas Municipal League)  
  
Against — None
- BACKGROUND:** Local Government Code, ch. 271 authorizes local governments to grant preference to local businesses for procuring certain products and services if the bidders' principal place of business is within the boundaries of the local government and whose bids are within 3 percent of the lowest bid or 5 percent in the case of sealed bids.  
  
Some Texas cities have municipal enclaves or close suburbs that are effectively part of the city's economy. Because local-preference options are intended to aid local governments in helping the local economy, certain cities wish to apply local-preference options to businesses located in different municipalities in the same county.
- DIGEST:** CSHB 3193 would allow municipal governments to consider a business located in the same county as the municipality, but not in the city itself, to be treated as if it were located in the municipality for the purposes of local preference in procurement.  
  
The bill would allow cities that received one or more proposals from a bidder with a principal place of business in the city or a place of business outside the city but in a county in which the city was located to consider the bidder's principal place of business as a percentage of the evaluation

factors. Cities would be authorized to treat bidders located outside the city but in the same county as the city as if the bidder was in the city.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.