

## **BILL ANALYSIS**

Senate Research Center

S.B. 820  
By: West  
International Relations Trade & Technology  
3-31-97  
Committee Report (Amended)

### **DIGEST**

Currently, electronic commerce is the conduct of business transactions using electronic communication means. These means may include electronic mail, electronic bulletin boards, websites, computer-to-computer facsimiles, or electronic funds transfer from a payer to a financial institution, among other similar methods. Information concerning state procurement information can be accessed by the mail or telephone. This bill establishes an electronic commerce network, an electronic procurement database, and an electronic procurement marketplace.

### **PURPOSE**

As proposed, S.B. 820 establishes an electronic commerce network, an electronic procurement database, and an electronic procurement marketplace.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the General Services Commission in SECTIONS 1 and 3 (Sections 2177.001(c) and (f), 2177.003(g), and 2156.005(b), Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends TitleD, Government Code, by adding Chapter 2177, as follows:

#### **CHAPTER 2177. ELECTRONIC COMMERCE**

Sec. 2177.001. **ELECTRONIC PROCUREMENT MARKETPLACE.** Requires the General Services Commission (commission) to establish and manage an electronic procurement marketplace. Authorizes the commission to enter into contracts with private and public entities to establish or maintain all or part of certain databases. Requires the commission to procure all goods and services in a certain manner. Requires the commission, in consultation with the Department of Information Resources, to define certain standards relating to the electronic procurement marketplace and authorizes the marketplace to include databases which contain certain information. Authorizes the commission to adopt rules relating to the design and use of the electronic procurement marketplace. Authorizes the commission to make state procurement information available through the electronic procurement marketplace on a fee-for-service basis. Requires the commission to set fees in a certain amount. Requires a state agency to use the electronic procurement marketplace to determine the most appropriate method for acquiring certain goods and services. Authorizes the commission to adopt rules, prescribe forms, and require information from state agencies to administer this section.

Sec. 2177.002. **ELECTRONIC PROCUREMENT DATABASE.** Establishes an electronic procurement database and describes the contents of the database. Authorizes the commission to require information from a state agency for inclusion in the electronic procurement database.

Sec. 2177.003. **ELECTRONIC COMMERCE NETWORK.** Sets forth provisions for the establishment of an electronic commerce network. Authorizes the commission to adopt rules to administer this section and require participating state agencies, political subdivisions, and

other public entities to designate a network coordinator.

Sec. 2177.004. PARTICIPATION BY STATE AGENCIES IN ELECTRONIC COMMERCE NETWORK. Requires each state agency to send certain information to the commission for posting on the electronic commerce network. Requires the commission and each state agency to include in the information placed on the electronic commerce network certain information for each procurement that either the commission or another state agency will make under Subsection (a). Requires the commission to post on the electronic commerce network all other information relating to business activity of the state that the commission considers to be of interest to the public. Requires each state agency to provide certain information to the commission in a format prescribed by the commission. Requires each state agency to place notification of the awarding of a contract on the electronic commerce network.

SECTION 2. Amends Section 2155.264, Government Code, to authorize a state agency to also solicit bids or proposals through the use of on-line electronic transmission of the electronic commerce network.

SECTION 3. Amends Section 2156.005, Government Code, to provide that Subsection (a) does not apply to bids submitted through the use of facsimile transmission, on-line electronic transmission, or the electronic commerce network. Authorizes the commission to adopt rules to ensure the identification, security, and confidentiality of bids submitted through the use of facsimile transmission, on-line electronic transmission, or the electronic commerce network. Deletes a provision authorizing the state auditor or a member of the state auditor's staff to be present at a bid opening. Makes a conforming change.

SECTION 4. Amends Section 2156.063, Government Code, to require the commission to solicit bids under this subchapter by facsimile transmission, on-line electronic transmission, or posting on the electronic commerce network, among other methods.

SECTION 5. Requires the General Services Commission to gradually phase in, in the most cost-effective manner and in accordance with available appropriations, the changes in law made by this Act that require the commission to establish electronic marketplaces, databases, or networks.

SECTION 6. Effective date: September 1, 1997.

SECTION 7. Emergency clause.

## **SUMMARY OF COMMITTEE CHANGES**

### AMENDMENT 1.

Page 1, line 17, between the words "commission" and "shall" insert " in consultation with the Department of Information Resources." Page 3, line 5, between the words "shall" and "base" insert "comply with applicable rules of the Department of Information Resources." Page 3, line 5, replace "base" with "to the extent that they are based on." Page 3, line 5, delete "the network on."