

BILL ANALYSIS

Senate Research Center
77R12090 ATP-F

C.S.H.B. 1981
By: Farabee (Lindsay)
Intergovernmental Relations
4/25/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Under current law, it is unclear whether counties may accept competitive bids electronically because such bids are required to be sealed. Modern identification and security measures for electronic communications make it possible to ensure the confidentiality of the bids. Electronic bidding should help streamline the processing of bids and vendors may benefit from the convenience. C.S.H.B. 1981 authorizes electronic bidding, sets forth competitive bidding procedures, and requires the county purchasing agent to adopt rules regarding electronic bidding.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the county purchasing agent in SECTION 3 (Section 262.0235, Local Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 262C, Local Government Code, by adding Section 262.0225, as follows:

Sec. 262.0225. **ADDITIONAL COMPETITIVE PROCEDURES.** Sets forth guidelines regarding the procedure for competitive bidding under this subchapter.

SECTION 2. Amends Section 262.023(a), Local Government Code, to delete language requiring all bids or proposals to be sealed.

SECTION 3. Amends Chapter 262C, Local Government Code, by adding Section 262.0235, as follows:

Sec. 262.0235. **PROCEDURES ADOPTED BY COUNTY PURCHASING AGENTS FOR ELECTRONIC BIDS OR PROPOSALS.** Requires the county purchasing agent, prior to receiving electronic bids or proposals, to adopt rules in conformance with Section 262.011(o) to ensure the identification, security, and confidentiality of such electronic bids or proposals.

SECTION 4. Amends Chapter 271A, Local Government Code, by adding Section 271.0065, as follows:

Sec. 271.0065. **ADDITIONAL COMPETITIVE PROCEDURES.** Sets forth additional guidelines regarding competitive bidding procedures.

SECTION 5. Amends Chapter 271B, Local Government Code, by adding Section 271.0245, as follows:

Sec. 271.0245. **ADDITIONAL COMPETITIVE PROCEDURES.** Sets forth additional guidelines regarding competitive bidding procedures.

SECTION 6. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Omits original SECTIONS 1 and 3.

Adds new SECTIONS 1, 3, 4, and 5.

SECTION 2. Amends by omitting proposed text requiring the county purchasing agent, prior to receiving electronic bids, to adopt rules in conformance with Section 262.011(o) to ensure the identification, security, and confidentiality of such bids.

SECTION 6. Redesignates original SECTION 4 as SECTION 6. No changes in text.