

BILL ANALYSIS

Senate Research Center
84R24901 SCL-D

C.S.S.B. 1998
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In order to spur economic growth in Texas cities, S.B. 1998 authorizes local governments to consider the location of the company when evaluating a government contract. The bill allows a municipal government to add a scoring criteria to a contract for businesses that are located in that municipality. The goal is to create more local jobs and support local businesses.

This would only apply to contracts in an amount of less than \$100,000 for services and less than \$500,000 for purchases. The bill accomplishes this by adding language in Chapter 271 of the Local Government Code.

C.S.S.B. 1998 applies only to a municipality that contains more than 75 percent of the population of a county with a population of 1.5 million or more.

C.S.S.B. 1998 states that if a municipality elects to consider an offerer's principal place of business and scores the proposal on a 100-point scale, the municipality is required to designate 10 points to an offeror with a principal place of business in the municipality. If an offeror is located outside the municipality, five points should be designated to the offeror if at least 20 percent of the offeror's employees are in the municipality or at least 100 employees in the municipality.

C.S.S.B. 1998 amends current law relating to consideration of locations of an offeror's principal place of business in awarding certain municipal contracts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter Z, Chapter 271, Local Government Code, by adding Section 271.9052, as follows:

Sec. 271.9052. CONSIDERATION OF LOCATION OF OFFEROR'S PRINCIPAL PLACE OF BUSINESS IN AWARDING CERTAIN MUNICIPAL CONTRACTS. (a) Provides that this section applies only to a municipality that contains more than 75 percent of the population of a county with a population of 1.5 million or more.

(b) Authorizes a municipality, in purchasing as authorized under this title any personal property that is not affixed to real property or services other than professional services, if a municipality that solicits requests for proposals receives one or more proposals from an offeror whose principal place of business is in the municipality, to consider, as a percentage of the evaluation factors in accordance with Subsection (c), an offeror's principal place of business unless the contract is for construction services in an amount of \$100,000 or more.

(c) Requires a municipality, if the municipality elects to consider an offeror's principal place of business under Subsection (b) and scores an offeror's proposal on a 100-point scale, to assign:

(1) 10 points to an offeror with a principal place of business in the municipality; or

(2) five points to an offeror who employs at least 20 percent of the offeror's employees in the municipality or at least 100 employees in the municipality.

(d) Provides that this section does prohibit a municipality from rejecting any proposal.

SECTION 2. Effective date: upon passage or September 1, 2015.