

HB507; TIME FOR CHANGE IN LEGAL NOTICE REQUIREMENTS FOR BIDS AND PROPOSALS

Key Points

- Publish notice through newspaper once and on internet website for specific period of time
- No website? Publish notice as statute is currently written
- Many thousands tax dollars state-wide budgeted for legal advertisements. This could be cut in half.
- Survey Results:
 - 21 entities report a FY 2011 advertisement budget of \$273,410.
 - 2010-11 survey – 1% municipal vendors received notification from local newspaper.
- Return on investment not evident
- Dollars better spent for services to tax payers
- State does not advertise in newspaper - ESBD
- Public notice is a necessary element of open government; however, times have evolved and newspapers are not the preferred way to receive such information any more.
- Subsidize one industry
- Proposed by coalition of city, county, school district and special district entities

Full Report

Revision of Notice Requirements for certain transactions involving local governmental entities

How the law would change

Current law requires governmental entities to post notice of competitive sealed bidding requirements *once a week for two consecutive weeks* in a newspaper published in the municipality or county.

This proposed change would require entities with a website to publish notice *once* through a newspaper published in the municipality or county and *posted on the entities website* for at least 14 days before the bid/proposal is to be opened. If the entity does not have a website the statute would remain as currently written

Who is in favor?

Governmental entities state wide. This proposed legislation was written by a coalition of city, county, school district and special interest entities. It is supported by the Texas Public Purchasing Association and the Texas Municipal League.

Background

Similar legislation in each session since 2003. Each session a survey was conducted by a diverse group of entities to find out how many of the responding vendors received notification of a competitive bidding opportunity through their local newspapers.

The **2010/11** results were: with 20 schools, county and municipal entities reporting – an average of 10% of the vendors responded to solicitations from newspaper notices. Municipalities reported a 1% return on investment, counties 12% and schools 18%. Not a ROI worthy of thousands of tax dollars.

Many thousands of tax dollars are budgeted each year to post notice of competitive sealed bids for the public. Yet the above statistics show the portions of the public interested in responding to the bids are not getting their information from the local newspaper.

A compilation of 21 entities comprised of ten cities, eight counties and three schools reveals

\$273,410 budgeted dollars for the FY 2010-11 fiscal years.

These dollars could be decreased by 50%. Finding ways to better use public dollars is a priority for all public entities. The advertising budgets do not provide a return on investment.

Who will oppose?

Newspapers. A recent statistic published in a local newspaper stated about 4% of their revenue is received from public notice advertising. They argue maintaining required public notices in print fills a role in open government.

Counter to this argument

This proposed legislation is specific to notice requirements for competitive sealed bids/proposals. There are scores of other statutes regarding the posting of public notice for planning and zoning, open meetings, elections, tax laws etc. Conducting open government is one element that makes government in the United States unique and one reason our system keeps working. There is a time and place for such business to be published in a public forum. But the 21st century has brought us more than one type of public forum. As technology develops, a balance of using the two foremost types of public forum must be struck. This legislation proposes a compromise between the two, published local newspapers and the internet.

We ask the legislators of Texas to consider the return on tax dollars vs. the cost of publishing in print and where better those same tax dollars could be spent.