

## BILL ANALYSIS

Senate Research Center  
79R2455 MTB-F

S.B. 576  
By: Armbrister  
Government Organization  
3/28/2005  
As Filed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Railroad Commission of Texas (commission) must ask the Texas Building and Procurement Commission (TBPC) to delegate purchasing authority for the commission to procure services, such as well plugging and site remediation services, for an amount over \$300,000. To date, TBPC has approved 100 percent of the commission's requests. Such process of approval increases the procurement cycle by 10 days, the amount of time allowed TBPC to review the procurement package. In addition, peer agencies are not required to seek purchase authority from TBPC.

As proposed, S.B. 576 removes the \$300,000 delegated authority limitation placed on the commission well plugging and site remediation purchases and amends previous legislation that included broader authority than originally requested by the commission to limit such authority to only well plugging and site remediation programs. S.B. 576 also removes exemptions not requested by the commission for purchasing rules regarding HUB rules and applicability and purchasing goals and subcontracting.

### 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 C, Chapter 2155, Government Code, by adding Section 2155.149, as follows:

Sec. 2155.149. CERTAIN PURCHASES BY RAILROAD COMMISSION OF TEXAS.

(a) Provides that the Railroad Commission of Texas (commission) is delegated all purchasing functions relating to abandoned wells and oilfield cleanup.

(b) Requires the commission to acquire goods and services by any procurement method that provides the best value, considering the standards listed in Section 2155.074 (Best Value Standard for Purchase of Goods or Services).

(c) Requires the Texas Building and Procurement Commission (TBPC) to procure goods and services for the commission at the request of the commission and authorizes the commission to use the services of TBPC in procuring goods and services.

SECTION 2. Amends Section 81.057, Natural Resources Code, as follows:

Sec. 81.057. EXEMPTION FROM CERTAIN PURCHASING RULES. Deletes existing text exempting the commission from following any purchasing procedures prescribed by or under Section 2161.003 (Agency Rules) or 2161.004 (Applicability; Intent), Government Code, or Subchapters D (Purchasing Goals) and F (Subcontracting), Chapter 2161, Government Code, when the commission makes a purchase in connection with the remediation of surface locations or well plugging.

SECTION 3. Repealer: Section 81.021 (Delegated Purchases), Natural Resources Code.

SECTION 4. Effective date: September 1, 2005.