

BILL ANALYSIS

C.S.H.B. 3071
By: Veasey
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties observe that, currently, in awarding a contract for construction and the acquisition of equipment, materials, and other items, the governing board of a conservation and reclamation district is required to consider competitive bids and to award the contract based on certain criteria. C.S.H.B. 3071 seeks to broaden the criteria by authorizing such a district to consider minority, women-owned, and historically underutilized business utilization goals in awarding contracts.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3071 amends the Water Code, in provisions applicable to certain water districts relating to construction, equipment, materials, and machinery contracts, to require a contract for goods or services, if the competitive sealed bidding requirement applies to the contract, to be awarded to the lowest responsible bidder or to the bidder who provides the goods or services at the best value for the district. The bill authorizes the governing body of the district, in determining the best value for the district, to consider the following:

- the purchase price;
- the reputation of the bidder and of the bidder's goods and services;
- the quality of the bidder's goods or services;
- the extent to which the goods or services meet the governing body's needs;
- the bidder's past relationship with the governing body;
- the impact on the ability of the governing body to comply with laws, rules, and policies of the governing body relating to historically underutilized or minority businesses, the governing body's small business development program, or another contracting program approved by the governing body, if any;
- the total long-term cost to the governing body to acquire the bidder's goods or services;
- the bidder's principal place of business, if, in the governing body's exclusive judgment, the bid offers the most advantage and would result in the best and most economical completion of the governing body's proposed plants, works, facilities, or improvements; and
- any other relevant factor listed in the request for bids or proposals.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3071 contains a provision not included in the original, in provisions applicable to certain water districts relating to construction, equipment, materials, and machinery contracts, requiring a contract for goods or services, if the competitive sealed bidding requirement applies to the contract, to be awarded to the lowest responsible bidder or to the bidder who provides the goods or services at the best value for the district.

C.S.H.B. 3071 differs from the original by authorizing the governing body of a water district to make certain considerations in determining the best value for the district, whereas the original authorizes such a governing body to make such considerations in determining to whom to award a contract.