

BILL ANALYSIS

C.S.H.B. 1870
By: Johnson, Jarvis
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties are concerned that vendors that employ veterans or other persons with disabilities are not able to sufficiently participate in certain state service contracts. C.S.H.B. 1870 seeks to reform the manner by which the state obtains logistics and coordination services and to subject certain purchase of nonemergency medical transportation services to requirements pertaining to those logistics and coordination services.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 1870 amends the Government Code to replace the authorization for the comptroller of public accounts to contract with a vendor to oversee shipping logistics and coordination services for all state agencies with a requirement to do so; to replace the authorization for the comptroller to provide contracting opportunities for vendors that employ veterans or other persons with disabilities whose products and services are available under applicable law with a requirement to do so; and to replace the authorization for a state agency to arrange all shipments of goods, parcels, and freight under provisions relating to state purchasing of shipping logistics and coordination services with a requirement to do so. The bill requires the record maintained under those provisions by the vendor of each shipment arranged for a state agency to include any software licensing support used to meet those requirements. The bill subjects purchases of nonemergency medical transportation services by certain state agencies under applicable state law to those provisions and makes related changes.

C.S.H.B. 1870, in a temporary provision set to expire September 1, 2019, requires the comptroller of public accounts, not later than December 1, 2018, to evaluate the nonemergency medical transportation, shipping logistics, and coordination services under provisions revised by the bill for not more than a 90-day period to determine the viability of contracting with a vendor to oversee these services, the economic return on investment from contracting with a vendor to oversee these services, and route efficiency and reasonableness.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1870 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

No equivalent provision.

SECTION 1. Chapter 2172.007, Government Code, is amended to read as follows:

Sec. 2172.007. SHIPPING LOGISTICS AND COORDINATION SERVICES.

(a) The comptroller ~~may~~ shall contract with a vendor to oversee shipping logistics and coordination services for all state agencies and shall pay the contract from the anticipated cost savings realized under the contract. The vendor shall arrange the shipment of goods, parcels, and freight using the shipping company selected by the state agency through competitive bidding that provides the best value to the agency for the shipment.

(b) A state agency ~~may~~ shall arrange all shipments of goods, parcels, and freight under this section.

(d) In contracting for the oversight of shipping logistics and coordination services under this section, the comptroller ~~may~~ shall provide contracting opportunities for vendors that employ veterans or other persons with disabilities whose products and services are available under Chapter 122,

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. The heading to Section 2172.007, Government Code, is amended to read as follows:

Sec. 2172.007. NONEMERGENCY MEDICAL TRANSPORTATION, SHIPPING LOGISTICS, AND COORDINATION SERVICES.

SECTION 2. Section 2172.007, Government Code, is amended by amending Subsections (a), (b), (c), and (d) and adding Subsections (f), (g), and (h) to read as follows:

(a) The comptroller shall ~~[may]~~ contract with a vendor to oversee nonemergency medical transportation, shipping logistics, and coordination services for all state agencies and shall pay the contract from the anticipated cost savings realized under the contract. The vendor shall arrange the transportation or shipment of goods, parcels, and freight using the ~~[shipping]~~ company selected by the state agency through competitive bidding that provides the best value to the agency ~~[for the shipment]~~.

(b) A state agency shall ~~[may]~~ arrange all transportation or shipments of goods, parcels, and freight under this section.

(c) The vendor under this section shall maintain a record of each nonemergency medical transportation and other shipment arranged for a state agency, as applicable, including the cost of mileage for the nonemergency medical transportation, the cost of the transportation or shipment, the type of goods, parcels, or freight shipped, [and] the weight of the goods, parcels, or freight shipped, and any software licensing support used to meet the requirements of this section.

(d) In contracting for the oversight of nonemergency medical transportation, shipping logistics, and coordination services under this section, the comptroller shall ~~[may]~~ provide contracting opportunities for vendors that employ veterans or other persons with disabilities whose products and

Human Resources Code.

(e) This section does not apply to the shipment of:

- (1) items of extraordinary value;
- (2) museum exhibits and antiquities;
- (3) antique furniture;
- (4) fine arts;
- (5) specialized materials or products;
- (6) coins and paper bills; or
- (7) items by the Texas Department of Transportation if the department determines that, because of the nature of the items or the circumstances related to the shipment, shipment of the items under a procedure established by the department is necessary.

No equivalent provision.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

services are available under Chapter 122, Human Resources Code.

(f) Purchases of nonemergency medical transportation services under Section 2155.143, 2155.144, or 2155.1441 are subject to this section.

(g) Not later than December 1, 2018, the comptroller shall evaluate the nonemergency medical transportation, shipping logistics, and coordination services under this section for not more than a 90-day period to determine:

(1) the viability of contracting with a vendor to oversee these services;

(2) the economic return on investment from contracting with a vendor to oversee these services; and

(3) route efficiency and reasonableness.

(h) Subsection (g) and this subsection expire September 1, 2019.

SECTION 3. Section 2172.007, Government Code, as amended by this Act, applies only to a contract entered into by the comptroller and a vendor to which that section applies on or after the effective date of this Act.

SECTION 4. Same as introduced version.