

SUBJECT: Acquisition procedures for medical and dental higher education institutions

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 7 ayes — Rangel, F. Brown, Goolsby, J. Jones, Morrison, E. Reyna, Wohlgemuth
0 nays
2 absent — Cuellar, Farabee

WITNESSES: None

BACKGROUND: In 1995, the 74th Legislature amended the Education Code to allow public medical and dental institutions of higher education to follow “best value” procurement procedures. In determining the best value, the unit must consider the purchase price, the vendor’s reputation, the long-term cost, the quality of goods and services and the extent to which they meet the unit’s needs, and other relevant factors. Laws relating to contracting with historically underutilized businesses prevail. The state auditor may audit unit purchases of goods and services. The law is scheduled to expire September 1, 1999.

DIGEST: HB 1615 would remove the September 1 expiration date for Sec. 51.9335 of the Education Code, which allows public medical and dental higher education institutions to acquire goods and services by following “best value” standards.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house.

SUPPORTERS SAY: HB 1615 would continue efficient and cost-effective purchasing procedures for medical and dental institutions. Current law allows medical and dental units to consider factors other than competitive bidding in purchasing goods and services. Such institutions need rapid procurement procedures for patient care and medical research. If the statute expires, these institutions will have to follow standard state procurement procedures.

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In 1997 and 1998, the University of Texas (UT) System health components saved money and time through “best value” purchasing. Group purchasing, negotiated agreements, and other “best value” practices saved UT nearly \$10 million over the two-year period. By procuring goods and services without going through the General Services Commission, UT health components saved 9,500 weeks in transaction time.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

A similar bill in the Senate, SB 637 by Brown, would delete the expiration date for Sec. 51.9335 of the Education Code. As amended in committee, SB 637 would exclude from the section procurement of certain professional services. On March 15, the Senate State Affairs Committee reported SB 637 favorably, as amended, and recommended it for the Local and Uncontested Calendar.