

- SUBJECT:** Revising TxDOT procurement procedures for certain goods and services
- COMMITTEE:** Transportation — favorable, without amendment
- VOTE:** 11 ayes — Canales, Ashby, Bucy, Harris, Landgraf, Lozano, Martinez, Ortega, Perez, Rogers, Smithee
- 0 nays
- 2 absent — E. Thompson, Davis
- SENATE VOTE:** On final passage, April 29 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** None
- BACKGROUND:** Under Transportation Code sec. 223.001, the Texas Department of Transportation (TxDOT) must submit for competitive bids each contract for highway improvements, materials for the construction or maintenance of a highway, or highway traffic control or safety devices to be used on a highway.
- DIGEST:** SB 1270 would authorize the Texas Department of Transportation (TxDOT) to award contracts for highway construction materials or certain traffic control or safety devices as a purchase of goods under the State Purchasing and General Services Act, instead of submitting them for competitive bids as provided by current law, under certain conditions. Those conditions would apply if TxDOT:
- estimated that the contract would be within an amount for which purchasing authority had been delegated to state agencies under statute or comptroller rules; and
 - determined that the statutory competitive bidding procedure for highway projects was not practical.

A contract for materials used in highway construction or maintenance that was awarded as a purchase of goods would have to be made to the lowest

responsive bidder.

TxDOT also could award a maintenance contract as a purchase of services under the State Purchasing and General Services Act under the same conditions.

For any contract awarded as a purchase of goods or services under this bill, TxDOT would have to post on its website the bid tabulation for that contract.

The bill would apply only to a contract for which TxDOT first advertised or solicited bids, proposals, offers, or qualifications on or after the effective date.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.

**SUPPORTERS
SAY:**

SB 1270 would provide the Texas Department of Transportation (TxDOT) greater flexibility in contracting for certain highway construction materials and traffic safety devices. Currently, such materials must be procured under a qualified low-bid process, which can take several weeks and slow down transportation projects. When smaller quantities of materials are needed for quick repairs, this process can be overly burdensome. SB 1270 would allow TxDOT to procure certain highway goods or services using the methods provided under the State Purchasing General Services Act if the department estimated that the contract would be within a certain amount of money and that the bidding process would not be practical. This would give TxDOT more flexibility in making smaller purchases of goods and services, allowing transportation projects to be completed more quickly.

**CRITICS
SAY:**

SB 1270 would allow certain TxDOT contracts to be awarded without using the existing competitive bidding process, which could mean that goods and services were not procured at the lowest possible price. Competitive bidding is the most responsible way to procure goods and

services and should be used regardless of the amount of the contract. TxDOT should reduce project delays without increasing costs that are passed on to taxpayers.

NOTES: HB 3515 by E. Thompson, the House companion bill, was considered in a public hearing in the House Transportation Committee on April 6, reported favorably as substituted on April 27, and placed on the General State Calendar for May 13.