

BILL ANALYSIS

Senate Research Center
76R11030 DRH-D

C.S.S.B. 555
By: Ogden
State Affairs
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Committee Report (Substituted)

DIGEST

Currently, even if the lowest bidder indicates that it has no intention of completing or performing a highway improvement contract, the Texas Department of Transportation (TxDOT) is still required to award the contract to that contractor, under certain circumstances. Such bid improprieties cause construction delays, which could be solved by awarding certain contracts to the second lowest bidder at the lowest bidder's price. C.S.S.B. 555 creates a provision allowing the Texas Transportation Commission to award a contract to the second lowest bidder.

PURPOSE

As proposed, C.S.S.B. 555 creates a provision for the Texas Transportation Commission (TTC) to award a contract to the second lowest bidder for maintenance contracts involving a maximum of \$100,000, if the lowest bidder withdraws its bid or fails to execute the contract; and authorizes TTC to adopt rules governing a second lowest bidder contract award.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Transportation Commission in SECTION 1 (Section 223.0041(c), Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 223A, Transportation Code, by adding Section 223.0041, as follows:

Sec. 223.0041. AWARD OF CONTRACTS. Requires certain unrejected bids to be tabulated and forwarded to the Texas Transportation Commission (TTC). Authorizes TTC to accept or reject the bids. Requires TTC to award the contract to the lowest bidder, subject to Section 223.045, except as provided in Subsection (c). Sets forth provisions authorizing TTC to award a contract to another bidder for a maintenance contract involving a maximum of \$100,000, if the lowest bidder withdraws its bid before being awarded a contract, or fails to execute the contract. Authorizes TTC to adopt rules for the Texas Department of Transportation to govern the award of a maintenance contract to the second lowest bidder.

SECTION 2. Amends Sections 223.005(b)-(d), Transportation Code, to delete existing Subsections (b) and (c), regarding the tabulation of bids and award of a contract. Makes a conforming change.

SECTION 3. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 223.0041, Transportation Code, to clarify that a second lowest bidder may be awarded a maintenance contract for a project involving a maximum of \$100,000. Makes nonsubstantive and conforming changes.

SECTION 2.

Amends Sections 223.005(b)-(d), Transportation Code, to make a nonsubstantive change.