

BILL ANALYSIS

Senate Research Center

S.B. 1864
By: Davis
Transportation & Homeland Security
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Transportation (TxDOT) has a long history of outsourcing a wide variety of services and functions to the private sector, namely, construction, maintenance and engineering services. S.B. 1864 would amend Subchapter B (Contract Provisions), Chapter 223 (Bids and Contracts for Highway Projects), Transportation Code, by adding Section 223.049 (Award of Contract to Private Sector Provider). This new section would require TxDOT to give preference to private sector providers whose principal place of business is located in the state of Texas. It would only apply to contracts relating to transportation projects for which the entire funding comes from either state funds, local funds, or a combination of state and local funds. In efforts to avoid any concerns raised by the Interstate Commerce Clause in the United States Constitution, the private sector provider must also meet TxDOT's expectations regarding price of the contract.

As proposed, S.B. 1864 amends current law relating to the awarding of contracts by the Texas Department of Transportation to private sector providers.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 223, Transportation Code, by adding Section 223.049, as follows:

Sec. 223.049. AWARD OF CONTRACT TO PRIVATE SECTOR PROVIDER. Requires the Texas Department of Transportation (TxDOT), notwithstanding any other law, in awarding a contract to a private sector provider, to give preference to a private sector provider whose principal place of business is located in this state if:

- (1) the transportation project for which the contract is being awarded is funded entirely from state funds; local funds; or a combination of state and local funds; and
- (2) the provider meets TxDOT expectations regarding price for the contract.

SECTION 2. Effective date: upon passage or September 1, 2011.