

BILL ANALYSIS

Senate Research Center
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S.B. 1512
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DIGEST AND PURPOSE

Currently, the processes most state agencies use to solicit bids for goods and services are governed by state law and rules adopted by the General Services Commission (commission). Multiple award contract schedules allow businesses with current, competitively bid contracts to contract with state agencies, higher education institutions, and local governments without having to repeatedly go through the certification and qualification process. As proposed, S.B. 1512 allows the commission to develop a multiple award contract schedule for use by state and local governments.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the General Service Commission in SECTION 1 (Sections 2155.503, 2155.504, 2155.505, and 2155.509, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 2155, Government Code, by adding Subchapter I, as follows:

Sec. 2155.501. DEFINITIONS. Defines “local government,” “multiple award contract,” and “schedule.”

Sec. 2155.502. DEVELOPMENT OF MULTIPLE AWARD CONTRACT SCHEDULE. Requires the General Services Commission (commission) to develop a schedule of multiple award contracts that have been previously competitively bid and administered by certain entities. Authorizes the commission, in developing the schedule under this section, to modify any contractual terms, with the agreement of the parties to the contract, as necessary to comply with any federal or state requirements, including rules adopted under this subchapter. Prohibits the commission from listing a multiple award contract on the schedule developed under this section if the goods or services provided by that contract are available from only one vendor.

Sec. 2155.503. RULES. Requires the commission and the Department of Information Resources (department) to adopt rules to implement this subchapter. Sets forth certain requirements of the rules adopted under this section. Requires the commission and the department to consult with the attorney general and the comptroller in developing rules under this section.

Sec. 2155.504. USE OF SCHEDULE BY GOVERNMENTAL ENTITIES. Authorizes a state agency or local government to purchase goods or services directly from a vendor under a contract listed on a schedule developed under this subchapter, including goods or services subject to Chapter 2157. Provides that the price listed for a good or service under a multiple award contract is a maximum price. Authorizes an agency or local government to negotiate a lower price for goods or services under a contract listed on a schedule developed under this subchapter. Requires the commission, by rule, to limit the number of goods or services that an agency or local government is authorized to order in a single purchase under this section.

Sec. 2155.505. HISTORICALLY UNDERUTILIZED AND SMALL BUSINESSES. Defines “historically underutilized business.” Authorizes the commission, by rule, to establish size standards that a business is prohibited from exceeding in order for it to be considered a small business under this section. Authorizes a historically underutilized business or small business to sell or provide a service for a contract listed on a schedule developed under this subchapter under certain conditions.

Sec. 2155.506. REPORTING REQUIREMENTS. Requires a vendor listed on a contract for a schedule developed under this subchapter to report its sales at least quarterly to the commission. Requires the commission to prescribe the format for the reports. Requires the commission to compile the information reported under this section and include the information in its report under Section 2101.011.

Sec. 2155.507. EXEMPTION FROM CATALOGUE PURCHASE METHOD FOR INFORMATION SYSTEM VENDORS. Provides that Section 2157.062 does not apply to a vendor who applies to be listed on a schedule developed under this subchapter.

Sec. 2155.508. INTERNET AVAILABILITY. Requires the commission to develop a database of the multiple award contracts developed under this subchapter and make that information available on an Internet site. Requires the database to have search capabilities that allow a person to easily access the contracts. Requires the commission to allow vendors to apply through the Internet side to be listed on a schedule developed under this subchapter. Requires the applicant to provide an electronic mail address to the commission as part of the application process.

Sec. 5122.509. RISK MANAGEMENT. Requires the commission, by rule, to develop procedures for limiting the risk of liability to the state when a state agency uses a contract listed on a schedule developed under this subchapter. Prohibits a state agency from accepting increased risk under a contract listed on a schedule developed under this subchapter unless the rules adopted by the commission under this section authorize that increased risk. Authorizes a vendor to reject an order that increases its risk beyond that ordinarily contemplated in the vendor’s multiple award contract if the vendor makes the rejection before the vendor issues the purchase order.

Sec. 2155.510. NOTICE REGARDING PROCUREMENTS EXCEEDING \$25,000. Requires a state agency subject to Section 2155.083 to post, after a purchase order has been placed as required under that section, a procurement made under a contract listed on a schedule developed under this subchapter.

SECTION 2. Amends Section 2155.062(a), Government Code, to clarify that multiple award procedures included under any schedules developed under Subchapter I are procedures, amongst other, that the commission is authorized to use in purchasing goods and services.

SECTION 3. Amends Section 2155.079(a), Government Code, to make a conforming change.

SECTION 4. Amends Section 2155.084, Government Code, by adding Subsection (d), to authorize a state agency to purchase goods or services available under federal supply schedules of the federal General Services Administration to the extent permitted by federal law.

SECTION 5. Requires the commission, not later than March 1, 2002, to develop initial schedules of multiple award contracts under Section 2155.502, Government Code, as added by this Act. Requires the commission, not later than January 1, 2002, to adopt the rules required by Chapter 2155I, as added by this Act.

SECTION 6. Effective date: upon passage or September 1, 2001.