

SUBJECT: Awards of highway improvement contracts by TxDOT

COMMITTEE: Transportation — committee substitute recommended

VOTE: 6 ayes — Alexander, Bosse, Alonzo, Moreno, Siebert, Uher

0 nays

3 absent — Clemons, Edwards, Price

WITNESSES: For — None

Against — None

On — Bob Templeton

BACKGROUND: Highway improvement contracts of less than \$100,000 may be awarded by a simplified competitive bidding process of the Texas Department of Transportation (TxDOT). Notice of the contract must be published in only two successive issues of any newspaper published in the county in which the work is to be done or a newspaper published in the county nearest the county seat of the county where work is to be done. The sealed bids filed with TxDOT are opened in a public meeting.

DIGEST: HB 2176 would increase from \$100,000 to \$300,000 the maximum amount of a contract for which TxDOT may use a simplified advertising, bidding and bid-letting process.

The bill also would authorize the transportation commission to delegate to the executive director or the executive director's designee authority to grant a highway improvement contract estimated by the department to be less than \$300,000. A district engineer or the engineer's designee could be authorized by the commission to open and read the bids at a public meeting.

The commission could delegate its authority to prescribe contract forms to the executive director, who could delegate it to an employee with the rank of division director or higher.

The department could set a fee to recover the costs of maintaining a mailing list of contractors and others interested in receiving notice of the letting of TxDOT contracts. Fees collected under these statutes would be credited to the state highway fund.

The bill would take immediate effect if approved by two-thirds of the membership of each house.

**SUPPORTERS
SAY:**

CSHB 2176 would merely raise the amount of a highway construction contract for which TxDOT could use its simplified competitive bidding process, which contains ample checks and balances. The contracts would still be subject to adequate scrutiny and would be awarded under a competitive bidding process with contracts awarded to the lowest bidder.

The department would be authorized to recoup its expenditures related to the notification of certain contractors and others interested in contracts let by the department. In addition to publishing in newspapers notification of contracts to be let, TxDOT notifies through the mail individuals and companies that specifically request to be notified. It is only reasonable to expect that they be required to pay for such individual notification.

The bill also would recognize that the commission needs authority to delegate certain duties under the simplified bidding process, to speed up the process to the benefit of all concerned.

**OPPONENTS
SAY:**

If the transportation commission's bid-awarding and contract signing authority was delegated, the executive director, or the director's designee, could accept or reject bids and award and sign contracts, while a district engineer or the district engineer's designatee could open the bids. This could be too broad a dispersal of responsibility over valuable contracts.

NOTES:

The substitute added the provisions allowing the commission to delegate to the executive director authority to prescribe the form and content of contracts.