

- SUBJECT:** Contract award considerations for certain water districts
- COMMITTEE:** Natural Resources — committee substituted recommended
- VOTE:** 11 ayes — Ritter, T. King, Beck, Creighton, Hopson, Keffer, Larson, Lucio, Martinez Fischer, D. Miller, Price
- 0 nays
- WITNESSES:** For — Lee Christie, Tarrant Regional Water District; JD Granger, Trinity River Vision Authority
- Against — None
- BACKGROUND:** Under the Water Code, certain water district boards of directors are required to consider competitive bids and to award a contract “to any responsible person or persons that, in the board’s judgment, will be most advantageous to the district and result in the best and most economical completion of the district’s proposed plants, improvements, facilities, works, equipment, and appliances.” There is currently uncertainty about whether minority, women-owned, and historically underutilized businesses may be considered when awarding contracts.
- DIGEST:** CSHB 3071 would amend Water Code provisions on contract awards by certain water districts to require that if a competitive bid was required for a contract for goods or services, the contract would have to be awarded to the lowest responsible bidder or the bidder who provided the best value.
- In determining the best value of a contract, a board could consider:
- the purchase price,
  - the reputation of the bidder and the goods and services they provided;
  - the quality of the bidder’s goods or services;
  - the extent to which the goods or services met the board’s needs;
  - the bidder’s past relationship with the board;
  - the impact on the ability of the board to comply with any law, rules, and policies of the board relating to historically underutilized or

- minority businesses, the board's small business development program, or any other contracting program approved by the board;
- the total long-term cost to acquire the bidder's goods and services;
  - the bidder's principal place of business, if the bid offered the most advantage and would result in the best and most economical completion of the board's proposed plants, works, facilities, or improvements; and
  - any other relevant factors listed in the request for bids or proposals.

The bill would take effect September 1, 2011.

**NOTES:**

The companion bill, SB 1865 by Davis, was referred to the Senate Natural Resources Committee on March 24.