

BILL ANALYSIS

Senate Research Center

H.B. 1243
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Natural Resources
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Engrossed

DIGEST

In 1992, the legislature authorized higher education institutions to enter into performance contracts for energy conservation measures to reduce energy consumption and operating costs at institutional facilities. These contracts provide a cost-effective way to fund facilities' improvements without increasing the need for state appropriations or relying on limited state-funded loan programs. Energy performance contracts do not require the institutions to cover initial costs; the contractor pays for all project engineering, equipment and construction, and is paid back from annual energy cost savings within a 10-year period. H.B. 1243 would allow a county municipality, or other political subdivision of this state to enter into a contract for energy conservation measures.

PURPOSE

As proposed, H.B. 1243 outlines provisions regarding energy savings projects for local governments.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 9C, Local Government Code, by adding Chapter 302, as follows:

CHAPTER 302. ENERGY CONSERVATION MEASURES FOR LOCAL GOVERNMENTS

Sec. 302.001. DEFINITION. Defines "local government."

Sec. 302.002. ENERGY CONSERVATION MEASURES. Outlines provisions regarding energy conservation measures. Sets forth items to be installed under a contract authorized under this chapter.

Sec. 302.003. PAYMENT AND PERFORMANCE BOND. Authorizes the governing body of the local government before entering into a contract for energy conservation measures, to require the provider of the energy conservation measures to file with the governing body a payment and performance bond relating to the installation of energy conservation measures that is in an amount the governing body finds reasonable and necessary to protect the interests of the local government and that may also cover the value of the guaranteed savings on the contract and is conditioned on the faithful execution of the terms of the contract; or choose not to require a payment and performance bond in connection with the contract, notwithstanding any other law to the contrary.

Sec. 302.004. LEASE-PURCHASE CONTRACT AUTHORIZED. Outlines provisions and sets forth requirements regarding a lease-purchase contract.

Sec. 302.005. BIDDING PROCEDURES; AWARD OF CONTRACT. Authorizes a contract under this chapter to be let under competitive proposal procedures. Requires notice of the request for proposals to be published in the manner provided for competitive bidding.

Requires requests for proposals to solicit quotations and to specify the relative importance of guaranteed savings, price, return on investment, financial performance and stability, quality, technical ability, experience, and other evaluation factors. Requires the contract to be awarded to the responsible offeror whose proposal, following negotiations, is determined to be the most advantageous to the local government considering the guaranteed savings and other evaluation factors set forth in the request for proposals. Authorizes the local government to allow proposal revisions after submissions and before the award of the contract to obtain the best final offers.

SECTION 2. Emergency clause.

Effective date: upon passage.