

BILL ANALYSIS

Senate Research Center
88R17668 LRM-F

C.S.S.B. 1181
By: Miles
Local Government
4/13/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 86th Texas Legislature passed S.B. 300, which was one of the General Land Office's (GLO's) post-Hurricane Harvey recommendations. S.B. 300 instructed GLO, before May 2 of each year, to enter indefinite quantity contracts (IQCs) with vendors to construct, repair, or rebuild property or infrastructure if a natural disaster occurs. They would be negotiated and agreed to before hurricane season each year, allowing GLO to respond more quickly and more efficiently to natural disasters. However, since the law took effect, GLO feels some of the language could be cleaned up to make this process even more efficient when soliciting vendors by using a different procurement method that is not listed in statute.

Currently, it is understood that government agencies use the request for proposal (RFP) method. The RFP method requires that vendor pricing be considered when evaluating and awarding contracts to vendors. Since at the time these solicitations will be issued, vendors would not be able to submit realistic costs proposals since we would not know the exact scope of services that will be needed in response to future disasters.

H.B. 2738 amends Section 31.069 of the Natural Resources Code to allow for the request for qualifications (RFQ) procurement method to be used to solicit vendors to provide these services. The RFQ method would allow GLO to evaluate vendors based on their relevant experience and qualifications. After the IDQ contracts have been executed, GLO could ask vendors to submit proposals and pricing for each individual event as it happens which would allow them to evaluate the prequalified vendors pricing in real time based on a clearly defined scope of work.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1181 amends current law relating to certain indefinite quantity contracts entered into by the General Land Office in the event of a natural disaster.

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 Section 31.069, Natural Resources Code, by amending Subsections (a), (b), (c) and (h) and adding Subsections (i), (j), (k), and (l), as follows:

(a) Requires the General Land Office (GLO) to enter into indefinite quantity contracts with vendors to provide services, rather than provide information management services, construction services, including engineering services, and other services, GLO determines may be necessary to construct, repair, or rebuild property or infrastructure in the event of a natural disaster.

(b) Requires that the terms of a contract under Subsection (a) provide that the contract is contingent on:

(1) redesignates existing Paragraph (A) as Subdivision (1);

(2) the occurrence of a natural disaster within the term of the contract, rather than the occurrence of a natural disaster not later than 48 months after the effective date of the contract. Redesignates existing Paragraph (B) as Subdivision (2); and

(3) Redesignates existing Paragraph (C) as Subdivision (3) and makes nonsubstantive changes.

Deletes existing text prohibiting a contract entered into under Subsection (a) from expiring after May 1 of a calendar year. Deletes existing text requiring that the terms of a contract under Subsection (a) have a term of four years.

(c) Requires GLO to ensure that it has contracts in place under Section 31.069 (Indefinite Quantity Contracts for Services After Declared Natural Disaster) with vendors to provide services, rather than services described by Subsection (a), that take effect immediately on the expiration of a contract under this section.

(h) Requires GLO, notwithstanding any other provision of this section, to follow the procedures provided by Section 2254.004 (Contract for Professional Services of Architect, Engineer, or Surveyor), Government Code, in contracting for engineering services under this section.

(i) Authorizes GLO to award a contract under this section to one or more vendors:

(1) on the basis of demonstrated competence and qualifications to perform the services for which GLO issues a request for qualifications; or

(2) using any other applicable state procurement method.

(j) Authorizes a contract under this section to include:

(1) a unit price book;

(2) a list of pre-priced work items; or

(3) another schedule identifying agreed prices for services.

(k) Requires that a contract under this section that does not include the items listed in Subsection (j) require a vendor to submit a price proposal for services on request by GLO.

(l) Requires GLO to issue task, work, or purchase orders for services under a contract entered into under this section to the vendor that provides the best value to GLO using the standard provided by Section 2155.074 (Best Value Standard for Purchasing of Goods or Services), Government Code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2023.