

BILL ANALYSIS

Senate Research Center
76R14723 WP-D

C.S.H.B. 3543
By: Hodge (Cain)
Intergovernmental Relations
5/13/1999
Committee Report (Substituted)

DIGEST

Currently, under Texas law, certain mass transit authorities are authorized to negotiate a contract without competitive sealed bids or proposals if the amount involved in the contract is \$15,000 or less. Some transit authorities have expressed an interest in saving money on the administrative costs involved with sealed bids or proposals by raising the maximum dollar amount of a contract that may be negotiated without sealed bids. In addition, purchasing without sealed bids or proposals may simplify the administrative process. This bill would increase from \$15,000 to \$25,000 the maximum aggregate amount for contracts authorized to be negotiated without competitive sealed bids or proposals.

PURPOSE

As proposed, C.S.H.B. 3543 increases from \$15,000 to \$25,000 the maximum aggregate amount for contracts authorized to be negotiated without competitive sealed bids or proposals by mass transit authorities.

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 Section 451.110(c), Transportation Code, to provide that Subsection (a) does not apply to \$25,000 or less. Deletes text providing that Subsection (a) does not apply to \$25,000 or less by an authority created before 1980 in which the principal municipality has a population of less than 1.2 million, or \$15,000 or less by an authority not described by Subdivision (1). Makes conforming changes.

SECTION 2. Amends Section 451.111(a), Transportation Code, to make conforming changes.

SECTION 3. Amends Section 452.107(c), Transportation Code, to increase from \$15,000 to \$25,000 the maximum aggregate amount for contracts authorized to be negotiated without competitive sealed bids or proposals under this section.

SECTION 4. Emergency clause.
Effective date: upon passage.