

BILL ANALYSIS

Senate Research Center
80R4983 TAD-F

S.B. 657
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there is no requirement for a water district to obtain a bid for construction contracts under \$15,000. The law does, however, require a water district to obtain three bids for construction contracts over \$15,000 and to publish notice in a newspaper to solicit bids for contracts over \$25,000. These thresholds were established 12 years ago.

As proposed, S.B. 657 updates current thresholds requiring competitive bids for water district construction projects by raising the threshold requiring water districts to obtain three bids for construction contracts over \$25,000 and requiring notice in a newspaper for bids solicited for contracts over \$50,000. No bid solicitation would be required for construction contracts under \$25,000. S.B. 657 does not apply to groundwater conservation districts.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 49.271(c), Water Code, to require any district or authority created by authority of either Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution (district), to require any person bidding on a construction contract over \$50,000, rather than \$25,000, to submit a certified or cashier's check or bid bond meeting certain conditions as a good faith deposit to ensure execution of the contract.

SECTION 2. Amends Section 49.273, Water Code, by amending Subsections (d), (e), and (f) and adding Subsection (m), as follows:

(d) Requires the governing body of a district (board) to advertise the letting of a contract for contracts over \$50,000, rather than \$25,000.

(e) Requires the board to solicit written bids from at least three bidders for contracts over \$25,000 but not more than \$50,000, rather than for \$15,000 or more but less than \$25,000.

(f) Makes conforming changes.

(m) Authorizes the board of a district created by special law to elect to contract for construction, repairs, and renovations of district facilities and for certain purchases, notwithstanding a conflict provision in the district's special law. Provides that an election under this subsection for special districts must be by resolution of the board and applies only to contracts entered into on or after the resolution takes effect.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2007.