

BILL ANALYSIS

Senate Research Center
83R16977 AED-F

H.B. 2704
By: Callegari (Hegar)
Natural Resources
5/9/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that while state agencies were given the authority to accept electronic bids for certain projects several years ago as a means of improving efficiency and lowering costs, water districts were not afforded the same authority. H.B. 2704 seeks to address this issue by establishing provisions relating to the electronic submission of bids for construction contracts for certain water districts and by increasing the cap on certain authorized contract change orders.

H.B. 2704 amends current law relating to bids for construction contracts for certain conservation and reclamation districts.

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 49.273(i), Water Code, as follows:

(i) Authorizes the governing body of a district (board), if changes in plans or specifications are necessary after the performance of the contract is begun, or if it is necessary to decrease or increase the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished, to approve change orders making the changes. Authorizes the board to grant authority to an official or employee responsible for purchasing or for administering a contract to approve a change order that involves an increase or decrease of \$50,000 or less. Prohibits the aggregate of the change orders from increasing the original contract price by more than 25 percent, rather than 10 percent. Authorizes additional change orders to be issued only as a result of unanticipated conditions encountered during construction, repair, or renovation or changes in regulatory criteria or to facilitate project coordination with other political entities.

SECTION 2. Amends Subchapter I, Chapter 49, Water Code, by adding Section 49.2731, as follows:

Sec. 49.2731. PROCEDURES FOR ELECTRONIC BIDS. (a) Authorizes a district to receive bids under Section 49.273 through electronic transmission if the board of the district adopts rules to ensure the identification, security, and confidentiality of electronic bids and to ensure that the electronic bids remain effectively unopened until the proper time.

(b) Provides that, notwithstanding any other provision of this chapter, an electronic bid or proposal is required to be sealed. Provides that a provision of this chapter that applies to a sealed bid applies to a bid received through electronic transmission in accordance with the rules adopted under Subsection (a).

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2013.