

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 2, 2003

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1396 by Hinojosa (Relating to certain purchasing contracts of certain navigation districts and port authorities.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would authorize certain navigation districts and port authorities to choose from certain purchasing methods for contracts valued at \$25,000 or more in the aggregate for each 12-month period. Processes for the purchasing methods are provided within the bill. Section 60.4125, Water Code, would be repealed, as that section would conflict with the proposed amendment to the code. Further, the provisions of the bill would require the district to pay a stipulated amount to an unsuccessful design-build firm that submits a response to the district's request for additional information on engineering or architectural design. The district could then use the design of the unsuccessful bidder.

The new section of the Water Code created by the bill would expire September 1, 2013. The bill would take effect on June 1, 2003 if it receives a two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

Having options for purchasing methods provides an opportunity for the district to determine and use the purchasing method that will provide the best value for each applicable contract. Costs associated with payments to unsuccessful design-build firms would vary, but would still allow certain flexibilities for the district.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JK, CL, DLBa