

By: Seliger

S.B. No. 657

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the threshold amount at which certain water districts  
3 are required to solicit competitive bids before awarding certain  
4 contracts.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 49.271(c), Water Code, is amended to  
7 read as follows:

8 (c) The district may adopt minimum criteria for the  
9 qualifications of bidders on its construction contracts and for  
10 sureties issuing payment and performance bonds. For construction  
11 contracts over \$50,000 [~~\$25,000~~], the district shall require a  
12 person who bids to submit a certified or cashier's check on a  
13 responsible bank in the state equal to at least two percent of the  
14 total amount of the bid, or a bid bond of at least two percent of the  
15 total amount of the bid issued by a surety legally authorized to do  
16 business in this state, as a good faith deposit to ensure execution  
17 of the contract. If the successful bidder fails or refuses to enter  
18 into a proper contract with the district, or fails or refuses to  
19 furnish the payment and performance bonds required by law, the  
20 bidder forfeits the deposit. The payment, performance, and bid  
21 bonding requirements of this subsection do not apply to a contract  
22 for the purchase of equipment, materials, or machinery not  
23 otherwise incorporated into a construction project.

24 SECTION 2. Section 49.273, Water Code, is amended by

1 amending Subsections (d), (e), and (f) and adding Subsection (m) to  
2 read as follows:

3 (d) For contracts over \$50,000 [~~for \$25,000 or more~~], the  
4 board shall advertise the letting of the contract, including the  
5 general conditions, time, and place of opening of sealed bids. The  
6 notice shall be published in one or more newspapers circulated in  
7 each county in which part of the district is located. If one  
8 newspaper meets both of these requirements, publication in such  
9 newspaper is sufficient. If there are more than four counties in  
10 the district, notice may be published in any newspaper with general  
11 circulation in the district. The notice shall be published once a  
12 week for three consecutive weeks before the date that the bids are  
13 opened, and the first publication shall be not later than the 21st  
14 day before the date of the opening of the sealed bids.

15 (e) For contracts over \$25,000 [~~for \$15,000 or more~~] but not  
16 more [~~less~~] than \$50,000 [~~\$25,000~~], the board shall solicit written  
17 competitive bids on uniform written specifications from at least  
18 three bidders.

19 (f) For contracts of not more [~~less~~] than \$25,000 [~~\$15,000~~],  
20 the board is not required to advertise or seek competitive bids.

21 (m) In accordance with this section, the board of a district  
22 created by special law may elect to contract for the construction  
23 and repair and renovation of district facilities and for the  
24 purchase of equipment, materials, machinery, and all things that  
25 constitute or will constitute the plant, works, facilities, or  
26 improvements of the district, notwithstanding a conflicting  
27 provision in the district's special law. For such a district, an

1 election under this subsection must be by resolution of the board  
2 and applies only to a contract entered into on or after the  
3 effective date of the resolution.

4 SECTION 3. The change in law made by this Act applies only  
5 to a contract entered into on or after the effective date of this  
6 Act. A contract entered into before the effective date of this Act  
7 is governed by the law in effect on the date the contract was  
8 entered into, and the former law is continued in effect for that  
9 purpose.

10 SECTION 4. This Act takes effect September 1, 2007.