By: Hinojosa S.B. No. 1531

## A BILL TO BE ENTITLED

1	AN ACT

- 2 relating to disposing of salvage or surplus personal property and 3 purchasing by navigation districts.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 5 SECTION 1. Subsection (b), Section 60.120, Water Code, is 6 amended to read as follows:
- 7 (b) Any contract, lease, or agreement entered into under
  8 Subsection (a) of this section shall be approved by resolution of
  9 the commission and shall be executed by the chairman, the executive
  10 director of the district, or an authorized representative of the
- 11 <u>executive director</u> [and attested by the secretary of the
- 12 commission].
- SECTION 2. Section 60.153, Water Code, is amended to read as
- 14 follows:
- 15 Sec. 60.153. EXECUTION OF CONTRACTS. A contract entered
- 16 into by a district under this subchapter shall be approved by
- 17 resolution of the commission, executed by the presiding officer of
- 18 the commission, the executive director of the district, or an
- 19 <u>authorized representative of the executive director</u>, and duly
- 20 attested by the corporate seal of the district.
- SECTION 3. Subsections (a) and (b), Section 60.403, Water
- 22 Code, are amended to read as follows:
- 23 (a) A port commission, an authorized designated officer of
- 24 the port commission, the executive director of the district or the

- 1 port authority, or an authorized representative of the executive
- 2 <u>director</u> [or authorized designated employee of a port authority or
- 3 district] may make routine purchases or contracts in an amount not
- 4 to exceed \$25,000.
- 5 (b) Before a purchase is made, a purchase order or other
- 6 form of precommitment approval must be signed by the executive
- 7 director of the district or the port authority or <u>an authorized</u>
- 8 representative of the executive director [the authorized
- 9 designated officer]. For routine contracts or purchases, the
- 10 precommitment approval may be in the form of a list of approved
- 11 routine purchases or contracts signed by the executive director.
- 12 The signed list shall remain on file in the offices of the district
- 13 or port authority.
- 14 SECTION 4. Subsection (b), Section 60.410, Water Code, is
- 15 amended to read as follows:
- 16 (b) If a change order involves an increase or decrease in
- 17 cost [of \$15,000 or] less than or equal to the amount authorized in
- 18 Section 60.403(a) for routine purchases or contracts, a port
- 19 commission may grant general authority to an employee to approve
- 20 the change order. However, the original contract price may not be
- increased by more than 25 percent or decreased by 18 percent or more
- 22 without the consent of the contractor.
- SECTION 5. Subsection (a), Section 60.4125, Water Code, is
- 24 amended to read as follows:
- 25 (a) Notwithstanding the other provisions of this subchapter
- or any other law, a district or port authority may make a purchase
- or enter into a contract valued at [\$25,000 or] more than the amount

- 1 authorized in Section 60.403(a) for routine purchases or contracts
- 2 by any method available to a school district, including all
- 3 procedures and limitations, under Subchapter B, Chapter 44,
- 4 Education Code, that, in the opinion of the port commission,
- 5 provides the best value to the district or port authority.
- 6 SECTION 6. Section 60.454, Water Code, is amended to read as
- 7 follows:
- 8 Sec. 60.454. PURCHASING CONTRACT METHODS. Notwithstanding
- 9 any other provision of this chapter or other law, a district
- 10 contract valued at [\$25,000 or] more than the amount authorized in
- 11 <u>Section 60.403(a) for routine purchases or contracts</u> in the
- 12 aggregate for each 12-month period may be made by the method below
- 13 that, in the opinion of the district's commission, provides the
- 14 best value for the district:
- 15 (1) a design-build contract to construct,
- 16 rehabilitate, alter, or repair facilities;
- 17 (2) a contract to construct, rehabilitate, alter, or
- 18 repair facilities that involves using a construction manager-agent
- 19 or construction manager-at-risk;
- 20 (3) competitive sealed proposals for construction,
- 21 repair, rehabilitation, or alteration of a facility, and
- 22 nonconstruction items;
- 23 (4) a job order contract for the construction, repair,
- 24 rehabilitation, or alteration of a facility;
- 25 (5) a request for proposals, if the contract is for
- 26 items [services] other than construction services;
- 27 (6) competitive sealed bids;

- 1 (7) a catalog purchase as provided by Subchapter B,
- 2 Chapter 2157, Government Code;
- 3 (8) an interlocal contract as provided by Chapter 791,
- 4 Government Code;
- 5 (9) the reverse auction procedure as defined by
- 6 Section 2155.062(d), Government Code;
- 7 (10) a contract with the United States, including any
- 8 agency thereof; or
- 9 (11) a contract with this state, including an agency
- 10 of this state.
- 11 SECTION 7. Subsection (d), Section 60.463, Water Code, is
- 12 amended to read as follows:
- 13 (d) The district shall prepare a request for competitive
- 14 sealed proposals that includes construction documents, selection
- 15 criteria, [estimated budget,] project scope, schedule, and other
- information that contractors may require to respond to the request.
- 17 The district shall state in the request for proposals the selection
- 18 criteria that will be used in selecting the successful offeror.
- 19 SECTION 8. Section 62.113, Water Code, is amended to read as
- 20 follows:
- Sec. 62.113. FORM OF CONTRACTS. All contracts made by the
- commission shall be in writing and signed by the contractors and at
- 23 least two of the commissioners, the executive director of the
- 24 district, or an authorized representative of the executive
- 25 <u>director</u>. [A copy of the contract shall be filed with the county
- 26 <del>clerk.</del>]
- 27 SECTION 9. Subchapter D, Chapter 62, Water Code, is amended

- 1 by adding Section 62.122 to read as follows:
- 2 Sec. 62.122. DISPOSITION OF SALVAGE OR SURPLUS PERSONAL
- 3 PROPERTY. The commission may periodically dispose of surplus or
- 4 <u>salvage personal property in the same manner as the commissioners</u>
- 5 court of a county under Subchapter D, Chapter 263, Local Government
- 6 Code.
- 7 SECTION 10. Section 63.172, Water Code, is amended to read
- 8 as follows:
- 9 Sec. 63.172. FORMAL REQUIREMENTS OF CONTRACT. [<del>(a)</del>] A
- 10 contract entered into by the district shall be in writing and signed
- 11 by the contractors and the commissioners, [or] any two of the
- 12 commissioners, the executive director of the district, or an
- 13 authorized representative of the executive director.
- 14 [(b) A copy of the contract shall be filed with the county
- 15 clerk for reference.
- SECTION 11. (a) Except as provided by Subsection (b) of
- 17 this section, the changes in law made by this Act related to
- 18 contracts and purchases made by a navigation district or port
- 19 authority apply only to a contract entered into or purchase made on
- 20 or after the effective date of this Act. A contract entered into or
- 21 purchase made before the effective date of this Act is governed by
- the law in effect on the date the contract was entered into or the
- 23 purchase was made, and that law is continued in effect for that
- 24 purpose.
- (b) Sections 60.410 and 60.454, Water Code, as amended by
- 26 this Act, apply to a contract entered into before, on, or after the
- 27 effective date of this Act. A contract entered into by a navigation

S.B. No. 1531

- 1 district or port authority under one of those sections before the
- 2 effective date of this Act is validated in all respects as if the
- 3 contract were entered into as authorized by law.
- 4 SECTION 12. This Act takes effect immediately if it
- 5 receives a vote of two-thirds of all the members elected to each
- 6 house, as provided by Section 39, Article III, Texas Constitution.
- 7 If this Act does not receive the vote necessary for immediate
- 8 effect, this Act takes effect September 1, 2007.