

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 4, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB987 by Creighton (Relating to competitive procurement and change order requirements for local governments.), **As Engrossed**

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| No fiscal implication to the State is anticipated. |
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The bill would authorize school districts to receive competitive procurement bids or proposals electronically if the school board adopts security-related rules.

The bill would make various changes in requirements and procedures associated with the use of competitive procurement methods and with change orders that local government entities follow. As part of those changes as they apply to a school district, certain portions of the Education Code would be repealed.

In addition, certain purchasing options currently applicable only to a county with a population of 3.3 million or more or a conservation and reclamation district in that county would be expanded to apply to all counties and conservation and reclamation districts.

Local Government Impact

It is anticipated that a school district would establish rules and implement the related security measures for accepting electronic bids and proposals only if associated costs of implementation could be absorbed within existing resources.

The proposed changes in procedures and requirements for procurement methods and change orders applicable to local government entities would provide additional flexibility in how those entities make certain purchases and handle change orders, which is anticipated to provide a savings that would vary by entity based on the number of applicable purchases.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, DB, JSp, TP, KJG