

BILL ANALYSIS

H.B. 679
By: Button
Government Efficiency & Reform
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Cities currently have a \$25,000 change order limit. H.B. 679 will set \$50,000 as the change order dollar amount that can be delegated to certain governmental administrators for approval. Setting the threshold for cities and other political subdivisions to match current county requirements will standardize the purchasing and contracting process and provide political subdivisions flexibility to operate more efficiently. Standardizing dollar amounts across these political subdivisions also will help vendors doing business with a variety of local governmental entities, level cooperative purchasing agreements, and streamline purchasing requirements for purchases and contracts under the \$50,000 level.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 679 amends the Local Government Code to authorize the governing body of the following political subdivisions of the state 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: municipalities, counties, and certain other local governments authorized to acquire, sell, or lease property under the Certificate of Obligation Act of 1971; municipal civic center authorities; sports facility districts established by a county; and jail districts. The bill increases from \$25,000 to \$50,000 the cap on the amount of a decrease or increase involved in a change order an administrative official of a municipality is authorized to approve if the governing body of the municipality grants such authority to the official.

H.B. 679 amends the Water Code to authorize the governing body of a water district 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.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.