

BILL ANALYSIS

Senate Research Center
82R16886 VOO-F

H.B. 2325
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Transportation & Homeland Security
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows certain mass transportation authorities to negotiate certain contracts without competitive sealed bids, proposals, or postings if the amount involved in the contract is \$25,000 or less. Some transit authorities have expressed an interest in raising the threshold amount to save additional taxpayer dollars on administrative costs and fees associated with posting smaller procurement contracts.

H.B. 2325 increases the mass transportation authority procurement threshold for non-competitive purchasing from \$25,000 to \$50,000. Cities and counties already have this authority.

H.B. 2325 amends current law relating to the competitive bidding and notice requirements for contracts of certain mass transportation authorities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 451.110(c), Transportation Code, to provide that Subsection (a) (relating to a competitive bidding process for a contract for the construction of an improvement or the purchase of any property) does not apply to contract for \$50,000 or less, rather than \$25,000 or less; the purchase of real property; personal or professional services; or the acquisition of an existing transit system.

SECTION 2. Amends Section 451.111(a), Transportation Code, to prohibit the governing body of a rapid transit authority, except as provided by Subchapter Q (Hybrid Delivery System for Certain Construction Projects), unless the posting requirement in Subsection (b) (relating to an announcement that a contract is being considered) is satisfied, from letting a contract that is for more than \$50,000, rather than \$25,000; and for the purchase of real property, or consulting or professional services.

SECTION 3. Amends Section 452.107(c), Transportation Code, to authorize the authority directors who serve as the governing body of the regional transportation authority to authorize the negotiation of a contract without competitive sealed bids or proposals if the contract meets certain criteria, including if the aggregate amount involved in the contract is \$50,000 or less, rather than \$25,000 or less.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2011.