

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 24, 2013

TO: Honorable Linda Harper-Brown, Chair, House Committee on Government Efficiency & Reform

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1050** by Callegari (Relating to construction-related contracts by governmental entities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Government Code, Chapter 791 to require local governments to meet certain criteria for construction-related goods or services contracts greater than \$50,000.

Local Government Impact

According to the Texas Association of Counties (TAC), El Paso County anticipates no fiscal impact associated with the bill. However, TAC noted that smaller counties use a purchasing co-op for many purchases over \$50,000, and under the bill, using the purchase co-op would no longer be an option for the county for these purchases. TAC reported that costs could not be estimated but could be significant.

TAC also reported that replacing local construction experts with a design professional could also increase project costs, particularly for smaller construction projects.

Texas Municipal League reported that requiring a city to pay a stipend to unsuccessful bidders could have significant costs on large projects that have many bidders.

Texas Education Agency (TEA) reported that there would be costs to schools to get certification from a design professional for purchases of \$50,000 or more through a co-op. TEA also reported that there would also be administrative costs to pay the stipend for preliminary engineering costs associated with additional requests for information for build-design projects.

Source Agencies: 303 Facilities Commission, 405 Department of Public Safety, 529 Health and Human Services Commission, 601 Department of Transportation, 696 Department of Criminal Justice, 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

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