

CHAPTER 757

H.B. No. 1651

AN ACT

relating to competitive bidding requirements of certain governmental entities.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Sections 21.901(a), (b), and (g), Education Code, are amended to read as follows:

(a) Except as provided in this section, all contracts proposed to be made by any Texas public school board for the purchase of any personal property, *except produce or vehicle fuel*, shall be submitted to competitive bidding *for each 12-month period* when said property is valued at \$25,000 [~~\$10,000~~] or more *in the aggregate for each 12-month period*.

(b) Except as provided in Subsection (e) of this section, all contracts proposed to be made by any Texas public school board for the construction, maintenance, repair or renovation of any building [~~or for materials used in said construction, maintenance, repair or renovation,~~] shall be submitted to competitive bidding when said contracts are valued at *more than \$15,000* [~~\$10,000 or more~~]. In this section, maintenance includes supervision of custodial, plant operations, maintenance, and ground services personnel.

(g)(1) The board of trustees of a school district may purchase without competitive bidding an item that is available from only one source, including:

- (A) an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
- (B) a film, manuscript, or book;
- (C) a utility service, including electricity, gas, or water; and
- (D) a captive replacement part or component for equipment.

(2) The exceptions provided by this subsection shall not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000 [~~\$10,000~~].

SECTION 2. Section 402.028, Health and Safety Code, is amended to read as follows:

Sec. 402.028. **CONTRACTS OVER \$15,000** [~~\$5,000~~]. (a) If the estimated amount of a proposed contract for the purchase of materials, machinery, equipment, or supplies is more than \$15,000 [~~\$5,000~~], the board shall ask for competitive bids as provided by Subchapter B, Chapter 271, Local Government Code.

(b) This section does not apply to purchases of property from public agencies or to contracts for personal or professional services.

SECTION 3. Section 402.184, Health and Safety Code, is amended to read as follows:

Sec. 402.184. CONSTRUCTION CONTRACT BIDS. The authority may enter into a construction contract requiring an expenditure of more than \$15,000 [~~\$5,000~~] only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

SECTION 4. Section 776.074(a), Health and Safety Code, is amended to read as follows:

(a) The board must submit to competitive bids an expenditure of more than \$15,000 [~~\$10,000~~] for the purchase or lease of:

- (1) one item or service; or
- (2) more than one of the same or a similar type of items or services in a fiscal year.

SECTION 5. Section 794.074(a), Health and Safety Code, is amended to read as follows:

(a) Except as provided by Subsection (i), the board must submit to competitive bids an expenditure of more than \$15,000 [~~\$10,000~~] for:

- (1) one item or service; or
- (2) more than one of the same or a similar type of items or services in a fiscal year.

SECTION 6. Section 252.041(a), Local Government Code, is amended to read as follows:

(a) If the competitive sealed bidding requirement applies to the contract, notice of the time and place at which the *bids will be publicly opened and read aloud* [~~contract will be let~~] must be published at least once a week for two consecutive weeks in a newspaper published in the municipality. The date of the first publication must be before the 14th day before the date set to *publicly open the bids and read them aloud* [~~let the contract~~]. If no newspaper is published in the municipality, the notice must be posted at the city hall for 14 days before the date set to *publicly open the bids and read them aloud* [~~let the contract~~].

SECTION 7. Section 252.002, Local Government Code, is amended to read as follows:

Sec. 252.002. MUNICIPAL CHARTER CONTROLS IN CASE OF CONFLICT. Any provision in the charter of a home-rule municipality that relates to the notice of contracts, advertisement of the notice, requirements for the taking of sealed bids based on specifications for public improvements or purchases, [~~or~~] the manner of *publicly opening bids or reading them aloud*, or the manner of letting contracts and that is in conflict with this chapter controls over this chapter *unless the governing body of the municipality elects to have this chapter supersede the charter*.

SECTION 8. Sections 271.055(a) and (b), Local Government Code, are amended to read as follows:

(a) An issuer must give notice of the time, date, and place at which the issuer will *publicly open the bids on* [~~let~~] a contract for which competitive bidding is required by this subchapter *and read the bids aloud*. The notice must be given in accordance with Subsection (b) or in accordance with:

- (1) Chapter 252, if the issuer is a municipality;
 - (2) the municipal charter of the issuer, if the issuer is a home-rule municipality; or
 - (3) the County Purchasing Act (Subchapter C, Chapter 262), if the issuer is a county.
- (b) If an issuer gives notice under this subsection, the notice must:

(1) be published once a week for two consecutive weeks in a newspaper, as defined by Chapter 84, Acts of the 43rd Legislature, 1st Called Session, 1933 (Article 28a, Vernon's Texas Civil Statutes), that is of general circulation in the area of the issuer, with the date of the first publication to be before the 14th day before the date set for the *public opening of the bids and the reading of the bids aloud* [~~receipt of bids~~]; and

(2) state that plans and specifications for the work to be done or specifications for the machinery, supplies, equipment, or materials to be purchased are on file with a designated official of the issuer and may be examined without charge.

SECTION 9. Section 252.022(a), Local Government Code, is amended to read as follows:

(a) This chapter does not apply to an expenditure for:

(1) a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;

(2) a procurement necessary to preserve or protect the public health or safety of the municipality's residents;

(3) a procurement necessary because of unforeseen damage to public machinery, equipment, or other property;

(4) a procurement for personal or professional services;

(5) a procurement for work that is performed and paid for by the day as the work progresses;

(6) a purchase of land or a right-of-way;

(7) a procurement of items that are available from only one source, including:

(A) items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;

(B) films, manuscripts, or books;

(C) electricity, gas, water, and other utility services;

(D) captive replacement parts or components for equipment;

(E) books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and

(F) management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits;

(8) a purchase of rare books, papers, and other library materials for a public library;

(9) paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;

(10) a public improvement project, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;

(11) a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212; [and]

(12) personal property sold:

(A) at an auction by a state licensed auctioneer;

(B) at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; or

(C) by a political subdivision of this state, a state agency of this state, or an entity of the federal government; and

(13) *services performed by blind or severely disabled persons.*

SECTION 10. The change in law made by this Act to Sections 252.021 and 271.024, Local Government Code, relating to the contractual amount that requires a municipality to solicit competitive bids or proposals, applies only to a contract for which the notice soliciting bids or proposals is first published or posted on or after September 1, 1993. A contract for which the notice is first published or posted before September 1, 1993, is subject to the law as it existed at the time the notice was first published or posted, and the former law is continued in effect for that purpose.

SECTION 11. Section 252.021, Local Government Code, is amended to read as follows:

Sec. 252.021. **COMPETITIVE BIDDING AND COMPETITIVE PROPOSAL REQUIREMENTS.** (a) Before a municipality [~~with 50,000 or more inhabitants~~] may enter into a contract that requires an expenditure of more than \$15,000 [~~\$10,000~~] from one or more municipal funds, the municipality must comply with the procedure prescribed by this chapter for competitive sealed bidding or competitive sealed proposals.

(b) [~~Before a municipality with fewer than 50,000 inhabitants may enter into a contract that requires an expenditure of more than \$5,000, the municipality must comply with the procedure prescribed by this chapter for competitive sealed bidding or competitive sealed proposals.~~]

[~~e~~] A municipality may use the competitive sealed proposal procedure only for high technology procurements.

SECTION 12. Section 262.003(a), Local Government Code, is amended to read as follows:

(a) Any law that requires a county to follow a competitive bidding procedure in making a purchase requiring the expenditure of \$15,000 [~~\$5,000~~] or less does not apply to the purchase of an item available for purchase from only one supplier.

SECTION 13. Section 262.023(a), Local Government Code, is amended to read as follows:

(a) ~~Before [Except as provided by Subsection (d), before]~~ a county may purchase one or more items under a contract that will require an expenditure exceeding \$15,000 [~~\$10,000~~], the commissioners court of the county must comply with the competitive bidding or competitive proposal procedures prescribed by this subchapter. All bids or proposals must be sealed.

SECTION 14. Section 271.024, Local Government Code, is amended to read as follows:

Sec. 271.024. COMPETITIVE BIDDING PROCEDURE APPLICABLE TO CONTRACT. If a governmental entity is required by statute to award a contract for the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property on the basis of competitive bids, and if the contract requires the expenditure of more than \$15,000 [~~\$10,000~~] from the funds of the entity, the bidding on the contract must be accomplished in the manner provided by this subchapter.

SECTION 15. Section 271.054, Local Government Code, is amended to read as follows:

Sec. 271.054. COMPETITIVE BIDDING REQUIREMENT. Before the governing body of an issuer may enter into a contract requiring an expenditure by or imposing an obligation or liability on the issuer, or on a subdivision of the issuer if the issuer is a county, of more than \$15,000 [~~\$5,000~~], the governing body must submit the proposed contract to competitive bidding.

SECTION 16. Section 325.039, Local Government Code, is amended to read as follows:

Sec. 325.039. BIDS ON CONTRACTS FOR CONSTRUCTION. Construction contracts requiring an expenditure of more than \$15,000 [~~\$5,000~~] may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

SECTION 17. Section 325.046(a), Local Government Code, is amended to read as follows:

(a) If the estimated amount of a proposed contract for the purchase of vehicles, equipment, or supplies is more than \$15,000 [~~\$5,000~~], the board shall ask for competitive bids in accordance with the bidding procedures provided by the County Purchasing Act (Subchapter C, Chapter 262, Local Government Code) except that the bids shall be presented to the board and the board shall award the contract.

SECTION 18. Section 351.137(b), Local Government Code, is amended to read as follows:

(b) Construction contracts requiring an expenditure of more than \$15,000 [~~\$5,000~~] may be made only after competitive bidding as provided by Subchapter B, Chapter 271.

SECTION 19. Section 351.144(a), Local Government Code, is amended to read as follows:

(a) If the estimated amount of a proposed contract for the purchase of vehicles, equipment, or supplies is more than \$15,000 [~~\$5,000~~], the board shall ask for competitive bids in accordance with the bidding procedures provided by the County Purchasing Act (Subchapter C, Chapter 262) except that the bids shall be presented to the board and the board shall award the contract.

SECTION 20. Section 375.221, Local Government Code, is amended to read as follows:

Sec. 375.221. COMPETITIVE BIDDING ON CERTAIN PUBLIC WORKS CONTRACTS. (a) A contract, other than a contract for services, for more than \$15,000 [~~\$10,000~~] for the construction of improvements or the purchase of material, machinery, equipment, supplies, and other property, except real property, may be entered into only after competitive bids. Notice of the contract for the purpose of soliciting bids shall be published once a week for two consecutive weeks in a newspaper with general circulation in the area in which the district is located. The first publication of notice must be not later than the 15th day before the date set for receiving bids. The board may adopt rules governing receipt of bids and the award of the contract and providing for the waiver of the competitive bid requirement if:

(1) there is an emergency;

(2) the needed materials are available from only one source;

(3) in a procurement requiring design by the supplier competitive bidding would not be appropriate and competitive negotiation, with proposals solicited from an adequate number of qualified sources, would permit reasonable competition consistent with the nature and requirements of the procurement; or

(4) after solicitation, it is ascertained that there will be only one bidder.

(b) If ~~the estimated amount of~~ a proposed contract for works, plant improvements, facilities other than land, or the purchase of equipment, appliances, materials, or supplies is *for an estimated amount of more than \$15,000* ~~[\$5,000]~~ but less than \$25,000 or for a duration of more than two years, competitive bids shall be asked from at least three persons.

SECTION 21. Section 6.11(a), Tax Code, is amended to read as follows:

(a) The board of directors of an appraisal district may not make a contract requiring an expenditure of more than *\$15,000* ~~[\$5,000]~~ unless the proposed contract is submitted to competitive bidding.

SECTION 22. Section 60.404(a), Water Code, is amended to read as follows:

(a) If the materials, supplies, machinery, equipment, or other items to be purchased or contracted for exceed *\$15,000* ~~[\$10,000]~~, notice shall be published as provided by this section.

SECTION 23. Section 60.406(a), Water Code, is amended to read as follows:

(a) Before a district or port authority may purchase one or more items under a contract that will require an expenditure of more than *\$15,000* ~~[\$10,000]~~, the port commission of that district or port authority must comply with the competitive bidding requirements or proposal procedures provided by Sections 60.404 and 60.405 of this code. All bids must be sealed.

SECTION 24. Section 63.168(a), Water Code, is amended to read as follows:

(a) Before the commission enters into a contract requiring the expenditure of *more than \$15,000* ~~[\$5,000 or more]~~, it shall submit the proposed contract for competitive bids.

SECTION 25. Section 66.213(a), Water Code, is amended to read as follows:

(a) If the estimated amount of a proposed contract for the purchase of vehicles, equipment, or supplies is more than *\$15,000* ~~[\$10,000]~~, the board shall ask for competitive bids as provided by *Subchapter B, Chapter 271, Local Government Code* ~~[Section 66.206 of this code]~~.

SECTION 26. Section 5(b), Chapter 852, Acts of the 69th Legislature, Regular Session, 1985 (Article 969a-2, Vernon's Texas Civil Statutes), is amended to read as follows:

(b) If the management and control of the island property is placed in the hands of a board of trustees, the board of trustees constitutes a body politic and corporate and may:

(1) manage, control, maintain, and operate the island property;

(2) employ a general manager and other officers, employees, and representatives that the board considers appropriate and fix their duties and compensation;

(3) prepare and adopt budgets, fix charges for services and facilities, authorize expenditures, and manage and control the income and revenue of the island property;

(4) determine policies and establish rules and procedures for the operation of the island property;

(5) acquire property and interests in property to carry out the purposes of this Act and construct improvements and facilities on the property;

(6) contract in its own name, but not in the name of the municipality; contracts involving the expenditure of more than *\$15,000* ~~[\$5,000]~~ may be awarded only pursuant to competitive bids, except that competitive bids are not required for contracts for personal or professional services, real estate transactions, operation of facilities or improvements under specific agreements for a limited term, or insurance, or contracts for which the board of trustees determines that the time delay required by the competitive bidding process would prevent or substantially impair the operation of the island property;

(7) issue in the name of the board, with the consent of the governing body of the municipality, revenue bonds or other obligations payable from revenues in the manner provided by this Act and refund previously issued obligations;

(8) issue in the name of the board, with the consent of the governing body of the municipality, current expense notes drawn against all or part of the current revenues of the board to pay expenses during the fiscal year in which the notes are issued, except that the aggregate amount of the notes outstanding may not exceed 50 percent of an amount equal to the revenues budgeted for that fiscal year less principal and interest on obligations other than current expense notes to be paid from the revenues during that fiscal year;

(9) evidence contractual obligations to pay money by issuing in the name of the board, with the consent of the governing body of the municipality, certificates of participation in the contractual obligations;

(10) sue and be sued in its own name;

(11) adopt, use, and alter a corporate seal; and

(12) establish a security force and commission as peace officers one or more employees of the force who are certified as qualified to be peace officers by the Commission on Law Enforcement Officer Standards and Education; peace officers commissioned under this Act have the rights, privileges, obligations, and duties of other peace officers in this state while they are on the property under the control of the board of trustees or in the actual course and scope of their employment.

SECTION 27. Sections 14(a) and (b), Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), are amended to read as follows:

(a) Contracts for more than \$15,000 [~~\$10,000~~] for the construction of improvements or the purchase of material, machinery, equipment supplies and all other property except real property, shall be let on competitive bids after notice published once a week for two consecutive weeks, the first publication to be at least 15 days before the date fixed for receiving bids, in a newspaper of general circulation in the area in which the authority is located. The board may adopt rules governing the taking of bids and the awarding of such contracts and providing for the waiver of this requirement in the event of emergency, in the event the needed materials are available from only one source, in the event that, except for construction of improvements on real property, in a procurement requiring design by the supplier competitive bidding would not be appropriate and competitive negotiation, with proposals solicited from an adequate number of qualified sources, would permit reasonable competition consistent with the nature and requirements of the procurement, or in the event that, except for construction of improvements on real property, after solicitation it is ascertained that there will be only one bidder. This subsection does not apply to personal and professional services or to the acquisition of existing transit systems.

(b) The board of an authority may not let a contract (1) that is not subject to competitive bidding requirements, (2) that is for more than \$15,000 [~~\$10,000~~] and (3) that is for the purchase of real property or for consulting or professional services, unless an announcement that a contract is being considered is posted in a prominent place in the principal office of the authority for at least two weeks before the contract is awarded. This subsection does not apply to the acquisition of existing transit systems.

SECTION 28. Section 20(a), Chapter 683, Acts of the 66th Legislature, Regular Session, 1979 (Article 1118y, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) Except as otherwise provided by this section, all contracts for construction, services, and property, other than real property, shall be awarded after full and open competition based on solicitations for competitive sealed bids or competitive sealed proposals. All solicitations for competitive sealed bids or proposals shall describe all evaluation factors for source selection and the relative importance of each factor. The executive committee may authorize the negotiation of contracts without competitive sealed bids or proposals if:

(1) the aggregate amount involved in the contract is [~~less than \$10,000 for property or services or~~] \$15,000 or less [~~for construction~~];

(2) the contract is for construction for which not more than one bid or proposal is received;

(3) the contract is for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition;

(4) the contract is to respond to an emergency condition for which the public exigency will not permit the delay incident to competition;

(5) the contract is for personal or professional services or services for which competitive bidding is precluded by law; or

(6) the contract, whether in the form of bonds, notes, other obligations, loan agreements, or otherwise, is for the purpose of borrowing money or is a part of a transaction relating to the borrowing of money, including credit support agreements, such as lines or letters of credit or other debt guaranties, bond, note, debt sale or purchase, trustee, paying agent, remarketing agent, indexing agent, or similar agreements, agreements with securities dealers, brokers, or underwriters, and any other contracts or agreements considered by the executive committee to be appropriate or necessary in support of the authority's financing activities.

SECTION 29. Section 3(b), Chapter 341, Acts of the 57th Legislature, Regular Session, 1961 (Article 1187f, Vernon's Texas Civil Statutes), is amended to read as follows:

(b) If the management and control of the improvements and facilities is placed in the hands of a board of trustees by ordinance or Charter under Subsection (a) of this section, the board of trustees constitutes a body politic and corporate for the purpose of issuing bonds or other obligations and shall have and exercise, in addition to the powers enumerated in the ordinance or Charter, the following powers and authority:

(1) to exercise full management, control, maintenance, and operation of the improvements and facilities constituting the ports and harbors of the city;

(2) to employ a general manager and other officers, employees, and representatives as the board may consider appropriate and to fix their duties and compensation;

(3) notwithstanding the provisions or restrictions of any general or special law or Charter to the contrary, to prepare and adopt budgets for the operation of the ports and harbors of the city, fix charges for services and facilities, authorize expenditures, and manage and control the income and revenue of the city's ports and harbors;

(4) to determine policies and establish rules and procedures for the operation of the ports and harbors of the city;

(5) to acquire property and interest in property for the purposes set forth in Section 1 of this Act in the manner provided by this Act and to construct improvements and facilities on the property;

(6) to contract in its own name, but not in the name of the city. Except as otherwise provided by this Act, all such contracts involving the expenditure of more than \$15,000 [\$10,000] shall be awarded only pursuant to competitive bids. However, competitive bids are not required for contracts for personal or professional services, real estate transactions, operation of port facilities or improvements under specific agreements for a limited term, or insurance, or if the board of trustees determines that the time delay posed by the competitive bidding process would prevent or substantially impair the conduct of port operation;

(7) to issue in the name of the board, with the consent of the governing body of the city, revenue bonds or other obligations payable from revenues in the manner set out in this Act for the purpose of providing funds for any of the improvements and facilities provided by Section 1 of this Act or to refund any previously issued bonds or other obligations;

(8) to issue in the name of the board, with the consent of the governing body of the city, current expense warrants drawn against all or any part of the current revenues of the board to pay current expenses during the current fiscal year of the board or any part of the current fiscal year. However, in no event shall the aggregate amount of the warrants that are outstanding at any time during any fiscal year exceed 50 percent of the revenues budgeted for that fiscal year after subtracting from the budgeted revenues all principal and interest on bonds or obligations other than current expense warrants to be paid from the revenues during the fiscal year;

(9) to evidence contractual obligations to pay money by issuing in the name of the board, with the consent of the governing body of the city, certificates of participation in the contractual obligations;

(10) to sue and be sued in its own name;

(11) to adopt, use, and alter a corporate seal; and

(12) to establish a port security force, to employ one or more public security officers licensed by the Commission on Law Enforcement Officer Standards and Education, and to commission one or more employees of the force as peace officers if they are certified as qualified to be peace officers by the Commission on Law Enforcement Officer Standards and Education, which peace officers commissioned under this Act are vested with all the rights, privileges, obligations, and duties of any other peace officer in this state while they are on the property under the control of the board of trustees, or in the actual course and scope of their employment.

SECTION 30. Section 5.06(a), Crime Control and Prevention District Act (Article 2370c-4, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) A board may prescribe the method of making purchases and expenditures by and for the district; however, the board may enter purchasing contracts that involve spending more than \$15,000 [~~\$5,000~~] only after competitive bidding as provided by Subchapter C, Chapter 262, Local Government Code, to the extent those provisions can be made applicable to the board.

SECTION 31. Section 4.07, Chapter 670, Acts of the 72nd Legislature, Regular Session, 1991 (Article 4477-7j, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4.07. BIDS ON CONTRACTS. Contracts entered into under Section 4.06 of this Act requiring an expenditure of more than \$15,000 [~~\$10,000~~] may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

SECTION 32. Section 4.13, Chapter 670, Acts of the 72nd Legislature, Regular Session, 1991 (Article 4477-7j, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4.13. CONTRACTS FOR PURCHASE OF VEHICLES, EQUIPMENT, AND SUPPLIES OVER \$15,000 [~~\$10,000~~]. (a) If the estimated amount of a proposed contract for the purchase of vehicles, equipment, or supplies is more than \$15,000 [~~\$10,000~~], the board shall ask for competitive bids as provided by Section 4.07 of this Act.

(b) This section does not apply to purchase of property from public agencies or to contracts for personal or professional services.

SECTION 33. Section 4.07, Chapter 734, Acts of the 72nd Legislature, Regular Session, 1991 (Article 4477-7k, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4.07. BIDS ON CONTRACTS. Contracts entered into under Section 4.06 of this Act requiring an expenditure of more than \$15,000 [~~\$10,000~~] may be made only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code.

SECTION 34. Section 4.13, Chapter 734, Acts of the 72nd Legislature, Regular Session, 1991 (Article 4477-7k, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 4.13. CONTRACTS FOR PURCHASE OF VEHICLES, EQUIPMENT, AND SUPPLIES OVER \$15,000 [~~\$10,000~~]. (a) If the estimated amount of a proposed contract for the purchase of vehicles, equipment, or supplies is more than \$15,000 [~~\$10,000~~], the board shall ask for competitive bids as provided by Section 4.07 of this Act.

(b) This section does not apply to purchase of property from public agencies or to contracts for personal or professional services.

SECTION 35. Section 7, Chapter 623, Acts of the 67th Legislature, Regular Session, 1981 (Article 6550c, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 7. COMPETITIVE BIDS. A contract in the amount of more than \$15,000 [~~\$10,000~~] for the construction of improvements or the purchase of material, machinery, equipment, supplies, or any other property except real property may only be let on competitive bids after notice published, at least 15 days before the date set for receiving bids, in a newspaper of general circulation in the district. A board may adopt rules governing the taking of bids and

the awarding of contracts. This section does not apply to personal or professional services or the acquisition of existing rail transportation systems.

SECTION 36. Section 35, Chapter 13, Acts of the 68th Legislature, 2nd Called Session, 1984 (Article 6674r-1, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 35. CONSTRUCTION BIDS. Construction or improvement contracts requiring an expenditure of more than \$15,000 [\$5,000] may be made only after competitive bidding as provided by *Subchapter B, Chapter 271, Local Government Code* [~~Chapter 770, Acts of the 66th Legislature, Regular Session, 1979 (Article 2368a.3, Vernon's Texas Civil Statutes)~~].

SECTION 37. Section 3.211, County Road and Bridge Act (Article 6702-1, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3.211. COMPETITIVE BIDDING. All equipment, materials, and supplies for the construction and maintenance of county roads and for the county road department shall be purchased by the commissioners court on competitive bids in conformity with estimates and specifications prepared by the county road engineer. However, on recommendation of the county road engineer and when in the judgment of the commissioners court it is considered in the best interest of the county, purchases in an amount not to exceed \$15,000 [\$10,000] may be made through negotiation by the commissioners court or the commissioners court's authorized representative on requisition to be approved by the commissioners court or the county auditor without advertising for competitive bids. Before any claim covering the purchase of the equipment, materials, and supplies and for any services contracted for by the commissioners court may be ordered paid by the commissioners court, the county road engineer must certify in writing the correctness of the claim and must certify that the respective equipment, materials, and supplies covered by the claim conform to specifications approved by him, that the equipment, materials, and supplies were delivered in good condition, and that any road department services contracted for by the commissioners court have been satisfactorily performed. This section does not permit the division or reduction of purchases for the purpose of avoiding the requirement of taking formal bids on purchases that would otherwise exceed \$15,000 [\$10,000].

SECTION 38. Section 262.023(d), Local Government Code, is repealed.

SECTION 39. This Act takes effect September 1, 1993.

SECTION 40. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 14, 1993, by a non-record vote; passed by the Senate on May 29, 1993: Yeas 31, Nays 0.

Approved June 17, 1993.

Effective Sept. 1, 1993.