

SUBJECT: Limitation on partial payments for a highway improvement contract

COMMITTEE: Transportation — favorable, without amendment

VOTE: 7 ayes — Alexander, Bosse, Alonzo, Moreno, Price, Siebert, Uher
0 nays
2 absent — Clemons, Edwards

WITNESSES: For — Steve Stagner, Consulting Engineers Council of Texas
Against — None

BACKGROUND: VACS 6674m, relating to highway improvement contracts, provides that only 95 percent of the value of the work covered in a contract may be paid in advance of completion; 5 percent must be retained until the entire work is completed and accepted.

DIGEST: HB 2582 would require the Texas Department of Transportation to exempt maintenance contracts, and contracts for plans and surveys preliminary to construction, reconstruction, or maintenance, from the limitation on partial payments and the requirement that 5 percent of the contract price be retained until the work has been completed and accepted.

This provision would apply only to a contract awarded on or after the effective date of the bill; the bill would take effect immediately if approved by two-thirds of the membership of each house.