

## **BILL ANALYSIS**

Senate Research Center  
84R11931 JAM-D

S.B. 1294  
By: Nichols  
Transportation  
3/24/2015  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the Texas Department of Transportation (TxDOT) may use the design-build method for the design, construction, expansion, extension, related capital maintenance, rehabilitation, alteration, or repair of a highway project.

The design-build method is contracting with a single entity to provide both design and construction services. The project must have estimated construction costs of \$50 million or more and TxDOT may enter into up to three design-build contracts per fiscal year. The sunset provision for the three projects per fiscal year at cost of \$50 million or more expires on August 30, 2015.

S.B. 1294 would allow TxDOT to enter into up to three design-build contracts per fiscal year and project must have estimated construction costs of \$250 million.

The bill would not require a design-build contractor to maintain a project for a term longer than five years. It does not prohibit a design-build contractor from agreeing to additional terms of maintenance for periods of five years or less through a contract renewal or extension.

The bill would also prevent TxDOT from bundling and issuing design-build contracts for projects that are already designed.

As proposed, S.B. 1294 amends current law relating to certain limitations on design-build contracts for transportation infrastructure projects.

### **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 223.242, Transportation Code, by amending Subsections (d) and (d-1) and adding Subsections (b-1) and (f), as follows:

(b-1) Prohibits a design-build contract under this subchapter from requiring a design-build contractor to maintain a project for a term longer than five years. Provides that this subsection does not prohibit a design-build contractor from agreeing to additional terms of maintenance for periods of five years or less through a contract renewal or extension.

(d) Authorizes the Texas Department of Transportation (TxDOT) to enter into a design-build contract for a highway project with a construction cost estimate of \$250 million or more, rather than \$50 million or more, to TxDOT.

(d-1) Prohibits TxDOT from entering into more than three contracts under this section in each fiscal year. Deletes existing text providing that this subsection expires August 31, 2015.

(f) Prohibits TxDOT from using the design-build method for the construction, expansion, extension, rehabilitation, alteration, or repair of a highway project if the project is designed by a person or entity other than the design-build contractor.

SECTION 2. (a) Provides that Section 223.242(b-1), Transportation Code, as added by this Act, applies only to a contract entered into on or after the effective date of this Act. Makes application of this Act prospective.

(b) Provides that Section 223.242(f), Transportation Code, as added by this Act, applies only to a highway project for which a request for qualifications is issued on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or the 91st day after the last day of the legislative session.