

## **BILL ANALYSIS**

H.B. 2661  
By: Krusee  
Urban Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Before 2001, any major city public works or construction projects could only be awarded on a competitive bid basis, with the contract going to the lowest responsible bidder. In 2001, the Texas Legislature authorized municipalities to use competitive sealed proposals and other alternative bidding procedures including design/build, the construction manager-agent method, and the construction manager-risk method. However, these alternative bidding procedures were restricted to bids for construction, rehabilitation, alteration, or repair services for a facility, also known as "vertical" projects.

HB 2661 would amend the Local Government Code to allow municipalities to use competitive sealed proposal bidding procedures for "horizontal" projects costing \$1.5 million or less listed under Section 252.043(d) of that Code.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

Amends Section 252.043, Local Government Code, by adding Subsection (d-1) to allow a contract for construction of a project listed in subsection (d) of that section that costs \$1.5 million or less to be awarded using the competitive sealed proposal procedure prescribed by Section 271.116 of that code. The bill also makes conforming changes in Section 271.116 of the Local Government Code.

### **EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.