

By: Raymond

H.C.R. No. 95

CONCURRENT RESOLUTION

1 WHEREAS, Texas Department of Transportation (TxDOT)  
2 procedures for state transportation projects within the  
3 jurisdiction of a local government, also known as local government  
4 projects, require local governments to pay for project cost  
5 overruns, even though cities and counties typically have no  
6 authority to award contracts, evaluate engineering, or approve  
7 change orders for the projects; and

8 WHEREAS, Under the terms of an advanced funding agreement,  
9 which TxDOT requires for all local government projects that receive  
10 state or federal funds, the city, county, or other unit of local  
11 government is responsible for any overruns in excess of the  
12 approved local project budget unless otherwise provided for in the  
13 agreement; and

14 WHEREAS, Simultaneously, the advanced funding agreement  
15 requires TxDOT, unless specifically provided for otherwise in the  
16 agreement, to award and administer the construction contract, which  
17 includes responsibility for construction engineering and issuance  
18 of any change orders that may become necessary after the contract is  
19 awarded; and

20 WHEREAS, In addition to making local governments responsible  
21 for overruns on projects over which they have no supervisory  
22 control, TxDOT's procedures for local government projects also have  
23 the effect of halting construction of new roads, bridges, and  
24 overpasses if local governments do not provide funding to cover the

1 overruns; and

2 WHEREAS, It is a challenge for many local governments to  
3 include transportation project cost overruns in an annual budget  
4 given the uncertain nature of the overruns and the many competing  
5 priorities for available funds; generally, these overruns require a  
6 local government to make spending cuts in other parts of the budget;  
7 and

8 WHEREAS, The challenge of budgeting for such overruns is  
9 especially daunting for local governments in economically  
10 disadvantaged counties identified by the Texas comptroller of  
11 public accounts as having below-average per capita property value  
12 and income and above-average unemployment; now, therefore, be it

13 RESOLVED, That the 79th Legislature of the State of Texas  
14 hereby request the Texas Department of Transportation to revise  
15 procedures for local government projects to specify that local  
16 governments are not responsible for cost overruns on projects over  
17 which they have no supervisory control; and, be it further

18 RESOLVED, That the secretary of state forward an official  
19 copy of this resolution to the chair of the Texas Transportation  
20 Commission and to the executive director of the Texas Department of  
21 Transportation.