

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2703 by Krusee (Relating to contracts for the design and construction of transportation projects by certain governmental entities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code by adding Chapter 473, relating to alternative delivery methods for transportation projects. The bill would authorize a governmental entity, including the Texas Department of Transportation (TxDOT), cities, counties, regional tollway authorities, regional mobility authorities, transit authorities, and transportation corporations, to use the design-build procurement method to procure a transportation project with an estimated total cost of more than \$25 million. The bill would establish the process by which design-build firm proposals are evaluated and selected and require a governmental entity to select the firm that offers the best value. The bill would require the governmental entity to provide or contract for, independently of the design-build firm, inspection or verification testing services necessary for acceptance of the project.

The bill would authorize a governmental entity to enter into manager-at-risk contracts for the construction, maintenance, alteration, or repair of a transportation project and would establish the process for the evaluation and selection of a construction manager-at-risk. The bill would require the selection of the contractor that offers the best value.

Based on the analysis of TxDOT, it is assumed any duties or responsibilities associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect on September 1, 2005.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, SR, MW, TG, KJG