

BILL ANALYSIS

H.B. 3057
By: Castro
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, governmental entities have the authority to enter into construction manager-at-risk (CM-at-risk) agreements for the construction, rehabilitation, alteration, or repair of a facility. The CM-at-risk model is an alternative method of construction that allows a governmental entity to select a single construction manager who will, by the issuance of performance and payment bonds, guarantee a maximum price for a project. The CM-at-risk assumes responsibility and liabilities associated with completing the project in a timely manner while meeting the guidelines and regulatory measures associated with the project. This model often reduces costs and limits risk to a governmental entity and can result in a more manageable and predictable project.

Metropolitan rapid transit authorities (MRTAs) are not specifically referenced as entities that may enter into these types of contracts. As MRTAs begin construction of projects that will be larger in scope than have been managed in the past, they could benefit by having the option to use this type of construction delivery method.

H.B. 3057 authorizes a metropolitan rapid transit authority to enter into construction manager-at-risk agreements under the same procedures that currently apply to other local governmental entities.

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

H.B. 3057 amends the Local Government Code to define "governmental entity," for purposes of authorizing a governmental entity to use the construction manager-at-risk method for the construction, rehabilitation, alteration, or repair of a facility, to include a metropolitan rapid transit authority as defined under certain provisions of the Transportation Code.

EFFECTIVE DATE

September 1, 2009.