

## **BILL ANALYSIS**

Senate Research Center  
81R9199 JTS-D

S.B. 2437  
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Transportation & Homeland Security  
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As Filed

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

Under current law, governmental entities have the authority to enter into construction manager-at-risk agreements for the construction, rehabilitation, alteration, or repair of a facility. The construction manager-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 construction manager-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 (MRTA) are not specifically referenced as entities that are authorized to 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 from having the option to use this type of construction delivery method.

As proposed, S.B. 2437 amends current law relating to the use by MRTAs of the construction manager-at-risk method for the construction, rehabilitation, alteration, or repair of a facility.

### **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 271.118(a-1), Local Government Code, to define "facility" and "governmental entity."

SECTION 2. Effective date: September 1, 2009.