

BILL ANALYSIS

C.S.H.B. 2809
By: Phillips
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Greater Texoma Utility Authority was created several decades ago and is responsible for providing its member cities with assistance in the financing and construction of water and wastewater facilities. The authority provides operations services for water and wastewater facilities to both member and nonmember cities and finances and constructs water and wastewater facilities on a large scale to provide water and wastewater services to the residents it serves.

The board of directors of the authority can approve changes to the plans and specifications of a construction contract through change orders as long as the aggregate amount of the change orders does not increase the original contract price by a certain percentage. An increase to its change order authority would give the authority the flexibility it needs to effectively manage the changing material prices and project adjustments that typically occur with a large-scale construction project. C.S.H.B. 2809 seeks to accomplish this improvement by establishing provisions relating to the authority's construction contract change order authority.

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

C.S.H.B. 2809 amends the Special District Local Laws Code to authorize the board of directors of the Greater Texoma Utility Authority, if changes in plans or specifications are necessary after performance of a construction contract begins, to approve change orders necessary to decrease or increase the amount of materials, equipment, or supplies to be provided under the contract or the amount of work to be performed. The bill prohibits the total cost of the change orders from increasing the original contract price by more than 25 percent.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2809 differs from the original in nonsubstantive ways by using language reflective of certain bill drafting conventions. The substitute contains a saving provision not included in the original.