

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 24, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB628 by Callegari (Relating to contracts by governmental entities and related professional services and to public works performance and payment bonds.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend statutes and repeal portions of statutes to revise existing rules and establish additional rules and procedures for a governmental entity regarding procedures related to a public work contract, including: reverse auctions; construction management; multiple award contracts; design and construction contracting and delivery; number of eligible public works projects in a given year; engineering oversight; and job order contracting for ongoing maintenance or minor construction projects. The provisions of this bill apply to public works projects first advertised by governmental entities on, or after, September 1, 2011.

The bill exempts certain governmental entities from the new provisions, such as the Texas Department of Transportation (TXDOT), higher education institutions and systems (other than public junior colleges), regional toll-way authorities and mobility authorities, county toll authorities, and coordinated county transportation authorities.

The bill would authorize TXDOT to contract with land owners adjacent to the state highway system for the construction of an improvement on highway right of way that is related to improving access to the land owner's property. The bill prohibits the use of state or federal funds for the construction of such an improvement.

The bill amends Occupations Code related to industrialized housing operations and requires the Texas Industrialized Building Code Council to conduct a study evaluating, and recommending improvements to, current methods of design approval.

State agencies indicated that no direct fiscal implication is anticipated from implementation of the bill; however, the Texas Facilities Commission reports that the bill's provisions could negatively impact the state's negotiating position on public works projects by disclosing the full range of competitive offers prior to negotiation and award.

Local Government Impact

Based on information gathered from local government entities, it is assumed that an entity would continue to choose the method of contracting that would provide the best value; therefore, no significant fiscal impact is anticipated.

Source Agencies: 303 Facilities Commission, 405 Department of Public Safety, 601 Department of Transportation, 696 Department of Criminal Justice, 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department, 808 Historical Commission, 809 Preservation Board

LBB Staff: JOB, KY, KJG, JI, KM, KKR, JJ, PJK