

## **BILL ANALYSIS**

H.B. 1542  
By: Martinez  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding the process through which design-build contractors select companies to fill key project roles for transportation projects. It has been reported that some contractors, after originally making project assignments, will change the selected companies, renegotiate with other companies for lower costs, and retain the savings. H.B. 1542 seeks to address this issue by prohibiting design-build contractors from making changes to companies or entities identified as part of the design-build team in a response to a request for proposals, except in limited circumstances, and by providing for the forfeiture of cost savings resulting from a change made in violation of that prohibition.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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. 1542 amends the Transportation Code to prohibit a design-build contractor selected for a contract under statutory provisions relating to highway projects or under the Regional Mobility Authority Act from making changes to companies or entities identified as part of the design-build team in a response to a request for proposals unless an identified company or entity:

- is no longer in business, is unable to fulfill its legal, financial, or business obligations, or can no longer meet the terms of the teaming agreement proposed for the project with the design-build contractor;
- voluntarily removes itself from the team;
- fails to provide a sufficient number of qualified personnel to fulfill the duties identified during the proposal stage; or
- fails to negotiate in good faith in a timely manner in accordance with provisions established in the teaming agreement proposed for the project.

The bill establishes that any cost savings resulting from design-build team changes in violation of this prohibition accrue to the Texas Department of Transportation or the regional mobility authority, as applicable, and not to the design-build contractor.

**EFFECTIVE DATE**

September 1, 2019.