

BILL ANALYSIS

Senate Research Center

S.B. 1021
By: Nichols
Transportation
5/29/2023
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Section 223.005, Texas Transportation Code, allows the Texas Transportation Commission and the executive director to delegate to the Texas Department of Transportation (TxDOT) district engineers the ability to award local let highway improvement (maintenance) projects with an engineer's estimate of less than \$300,000. The maximum has remained unchanged since 1997 (if the maximum had been allowed to increase based on the average Highway Cost Index (HCI) over the last 23 years of 4.19 percent construction inflation rate, the local letting maximum would now be over \$770,000). Due to a combination of the time that has passed since the \$300,000 amount was put into statute, and the recent dramatic rise in the cost of materials and inflation, the ability for TxDOT districts to use the local let process for highway improvement projects as originally intended has diminished.

S.B. 1021 amends Section 223.005, Texas Transportation Code, to raise the \$300,000 local let limit to \$1,000,000.

S.B. 1021 amends current law relating to the handling of bids on certain contracts for highway projects.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Transportation Commission is modified in SECTION 2 (Section 223.005, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Section 223.005, Transportation Code, to read as follows:

Sec. 223.005. BIDS ON CONTRACTS INVOLVING LESS THAN \$1 MILLION.

SECTION 2. Amends Section 223.005(a), Transportation Code, as follows:

(a) Authorizes the Texas Transportation Commission by rule to allow bids on a contract estimated by the Texas Department of Transportation (TxDOT) to involve an amount less than \$1 million, rather than less than \$300,000, to be filed with:

(1) for a contract other than a building construction contract, the district engineer at the headquarters for the district in which the improvement is to be made and opened and read at a public meeting held by the district engineer or the district engineer's designee; or

(2) for a building construction contract, the director of the division of TxDOT that is responsible for the construction of the building and opened and read at a public meeting held by the division director or the division director's designee.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2023.