

SUBJECT: Establishing center for alternative finance and procurement for P3 projects

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 12 ayes — Cook, Giddings, Craddick, Farney, Farrar, Harless, Huberty, Kuempel, Minjarez, Oliveira, Smithee, Sylvester Turner

0 nays

1 absent — Geren

WITNESSES: For — Rodney Moss, Association for the Improvement of American Infrastructure; Tim Merriweather, Texas Infrastructure Council; Eugene Anderson, United Water; (*Registered, but did not testify*: Michael Chatron, Associated General Contractors Texas Building Branch; Jon Fisher, Associated Builders and Contractors of Texas; Michael White, Texas Construction Association; David Lancaster, Texas Society of Architects; Perry Fowler, Texas Water Infrastructure Network; Tara Snowden, Zachry Corporation)

Against — None

On — (*Registered, but did not testify*: Steven Halpin and Peter Maass, Texas Facilities Commission)

BACKGROUND: In 2011, the Public and Private Facilities and Infrastructure Act, under Government Code, ch. 2267, was passed to allow the Texas Facilities Commission to organize and participate in public-private partnerships (commonly referred to as P3s). Under P3s, public entities enter into agreements with private entities to deliver projects and services in a more timely and cost-effective manner than what could be provided by the public sector.

Under Government Code, ch. 2268, the Partnership Advisory Commission is an advisory commission in the legislative branch that advises responsible governmental entities about P3 proposals.

During the 83rd Legislature's interim hearings of the House Committee on Economic and Small Business Development, recommendations were made to establish an "excellence center" to advise public officials on how to request proposals, evaluate submissions, and structure P3 projects.

DIGEST:

CSHB 2475 would amend Government Code, ch. 2152 by requiring the Texas Facilities Commission to establish the center for alternative finance and procurement to consult with governmental entities regarding public-private partnerships. The center would provide consultation on best practices for procurement and financing of qualifying projects and would assist governmental entities in the receipt of proposals, negotiation of interim and comprehensive agreements, and management of qualified projects. The commission would have to adopt rules necessary to establish the center as soon as practicable.

The center for alternative finance and procurement would provide, on a cost recovery basis, professional services of financial, technical, and other advisors as necessary to support the Partnership Advisory Commission in its review and evaluation of proposals for qualifying public-private facilities and infrastructure projects.

The bill would charge the House Appropriations Committee and the Senate Finance Committee chairmen, along with the Partnership Advisory Commission, with the responsibility of protecting the confidentiality of records and certain information.

The bill would take effect September 1, 2015.