

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1786  
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Jurisprudence  
4-22-97  
Committee Report (Substituted)

### **DIGEST**

Currently, contractors are not allowed by law to file a claim against a unit of state government for breach of a project contract. A state agency can sue a contractor if the agency believes the contractor has breached the contract; however, the contractor is denied similar recourse. In recent years, state agencies have become more likely to violate contractual agreements. In addition, fewer contractors are applying for state jobs, and those contractors still bidding have translated their risks into higher bids. This bill will authorize contractors to file a claim against a unit of state government for breach of a project contract.

### **PURPOSE**

As proposed, C.S.S.B. 1786 authorizes contractors to file a claim against a unit of state government for breach of a project contract.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 5, Civil Practice and Remedies Code, by adding Chapter 111, as follows:

#### CHAPTER 111. CONTRACT CLAIMS AGAINST THE STATE

Sec. 111.001. DEFINITION. Defines "unit of state government," "project contract," and "contractor."

Sec. 111.002. CLAIMS. Authorizes a contractor to make a claim against a unit of state government for a breach of a project claim. Sets forth procedures regarding a contractor's claim against a unit of state government.

Sec. 111.003. AWARDS. Sets forth regulations regarding an award based on a claim made under this chapter.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 1.

Amends Section 111.001, Civil Practice and Remedies Code, to make a nonsubstantive change.

Amends Section 111.002, Civil Practice and Remedies Code, to add provisions regarding

claims against a unit of state government that provide for mediation and the forwarding of a proposal for decision to certain persons.

Amends Section 111.003, Civil Practice and Remedies Code, to delete proposed text regarding the payment of an award.

Deletes Sections 111.04 and 111.05, Civil Practice and Remedies Code, regarding sovereign immunity and other laws.