

BILL ANALYSIS

Senate Research Center
77R9214 JD-D

S.B. 1404
By: Madla
State Affairs
3/23/2001
As Filed

DIGEST AND PURPOSE

Current law does not specifically address the use of warranties for road construction, and the Texas Department of Transportation (TXDOT) has not asked building contractors for a long-term warranty on roads in the state. As proposed, S.B. 1404 will have TXDOT explore, as a pilot project, an innovative road construction technique used in other states. The bill directs TXDOT to issue requests for proposals for two pilot projects each biennium. The estimated cost of the projects must exceed \$15 million, and the request for proposals on the projects must call for a long-term warranty in excess of 15 years. The warranty provider will be allowed to innovate and modify TXDOT's pavement specification. TXDOT is required to report back to the legislature on progress made under this bill. This legislation does not change the current low-bid method of procurement for road construction.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 224, Transportation Code, by adding Subchapter G, as follows:

SUBCHAPTER G. HIGHWAY CONSTRUCTION PILOT PROGRAM WITH LIMITED PAVEMENT WARRANTY

Sec. 224.201. **PILOT PROGRAM.** Requires the Texas Department of Transportation (department) to establish a pilot program for highway construction projects involving the use of a limited pavement warranty. Requires the department, each biennium, to issue requests for proposals for two highway construction projects under the pilot program.

Sec. 224.202. **CRITERION.** Requires the total cost of the highway construction project to be greater than \$15 million in order to be included in the pilot program.

Sec. 224.203. **PAVEMENT WARRANTY.** Requires a contract for a highway construction project under the pilot program to include a long-term limited pavement warranty. Prohibits the period of a limited pavement warranty from being less than 15 years.

Sec. 224.204. **TERMS OF PAVEMENT WARRANTY.** Requires a limited pavement warranty under Section 224.203 to specify certain information.

Sec. 224.205. **WARRANTY PROVISIONS.** Requires the contract for the project, in connection with a warranty for a highway project constructed under the pilot program, to include certain provisions.

Sec. 224.206. **INNOVATIONS BY WARRANTY PROVIDER.** Requires a warranty for a highway construction project under the pilot program to allow for innovation by the warranty

provider. Requires the terms of a warranty to allow the warranty provider to modify the department's standard specifications for pavement design, material mix design, and quality assurance and quality control.

Sec. 224.207. CONFLICTS. Provides that to the extent of a conflict with another law relating to the letting of a contract for a highway construction project by the department, or to the terms or conditions of a contract for a highway construction project entered into by the department, this subchapter prevails.

Sec. 224.208. REPORT TO LEGISLATURE. Requires the department, not later than February 1 of each odd-numbered year, to submit a report to the legislature relating to highway construction projects under this subchapter during the preceding two years. Authorizes the report to include recommendations on the continuation or expansion of the pilot program.

SECTION 2. Effective date: September 1, 2001.

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