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## FISCAL IMPACT REPORT



SPONSOR: Larranaga DATE TYPED: 02/09/02 HB 412

SHORT TITLE: Lower Design & Build Projects Size SB \_\_\_\_\_

ANALYST: Carrillo

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Responses Received

General Services Department (GSD)

Regulation and Licensing Department (RLD)

No Response

State Highway and Transportation Department (SHTD)

### SUMMARY

Synopsis of Bill

House Bill 412, Lower Design & Build Projects Size, permits the use of a design-build approach for construction projects with a maximum allowable construction cost (MACC) between \$2 million and \$10 million.

Significant Issues

According to General Services Department, there are few constructions projects conducted under the auspices of the Procurement Code with a MACC of more than \$10 million. The bill would create the possibility of wider use of this approach. The design-build approach is not appropriate for Property Control Division projects.

**OTHER SUBSTANTIVE ISSUES**

GSD staff explains proponents of this approach believe it would save time and money on projects that lend themselves to beginning construction of part of a project while other parts are not yet designed. An example would be for construction of a new building when infrastructure and preliminary site work could begin before the detailed design of the new structure is completed.

WC/ar