



# Survey on the Use of Design-Build and Other Alternative Project Delivery Methods in Texas

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## Introduction and Summary

This publication presents the results of a survey conducted by TLC research staff at the request of Representative W. A. Callegari, Chair, House Committee on Government Efficiency and Reform. The survey examined the use of alternative project delivery methods of procurement by local governmental entities since the passage of House Bill 1886 (Chapter 1213, Acts of the 80th Legislature, Regular Session, 2007), which authorized certain methods to be used for civil works projects. Local governmental entities that received the survey were asked about their use of competitive sealed proposal (CSP), construction manager-at-risk (CMAR), and design-build (DB) methods for civil works projects in the period between September 1, 2007, and June 5, 2012, the date the entities were e-mailed an invitation to participate in the survey. The survey was designed to gather desired information from local governmental entities that had statutory authority to use the methods during the survey period. The publication's background section describes the relevant statutory authority. The summary of findings section highlights the results in each response category and provides information about the survey methodology, including the criteria for identifying which local governmental entities would be invited to participate.

Of the 104 entities that received the survey, 27 entities provided substantive information about a total of 59 projects.<sup>1</sup> Below are highlights of the results for each of the three alternative procurement methods.

### *Competitive sealed proposal method (31 projects)*

- Approximately two-thirds of CSP projects (21 out of 31 projects) cost less than \$1 million. Only three projects cost more than \$10 million.
- The majority of CSP projects (18 out of 31 projects) were for improvement or expansion of infrastructure for electric or water services.
- For nearly one-third of CSP projects (10 out of 31 projects), respondents indicated that ensuring that the selected contractor was qualified was part of their rationale for choosing the CSP method.
- More than one-third of CSP projects (11 out of 31 projects) were procured by the City of Garland to upgrade its infrastructure for electric services, and each of these projects cost less than \$1 million.

### *Construction manager-at-risk method (11 projects)*

- Six CMAR projects cost less than \$7 million, three projects cost between \$25 million and \$50 million, and two projects cost more than \$250 million.
- For more than two-thirds of CMAR projects (8 out of 11 projects), respondents indicated that lowering costs or decreasing time to completion was part of their rationale for choosing this procurement method.

### *Design-build method (17 projects)*

- More than two-thirds of DB projects (12 out of 17 projects) cost at least \$50 million.
- Nine of the 10 most expensive DB projects (ranging from \$89 million to \$1.5 billion) were for construction of roadways or light rail systems, and all but one of the respondents for these transportation construction projects indicated that decreasing time to completion was part of their rationale for choosing the DB method.

## **Background**

Generally speaking, alternative project delivery methods are an alternative to the traditional procurement method that, through a competitive bidding process, awards contracts to the lowest responsible bidder. Under an alternative project delivery method of construction contract procurement, a governmental entity may consider qualitative criteria, such as the contractor's experience and reputation, in the bidding process. And, in contrast to the traditional design-bid-build sequential method of procurement, the design and construction phases of a project may run concurrently. Procurement procedures for each method are expressly stated in Chapter 2267, Government Code, Contracting and Delivery Procedures for Construction Projects [as added by Chapter 1129 (H.B. 628), Acts of the 82nd Legislature, Regular Session, 2011], which also defines the methods. "Competitive sealed proposals" is defined as a procurement method by which a governmental entity requests proposals, ranks the offerors, negotiates as prescribed, and then contracts with a general contractor for the construction, rehabilitation, alteration, or repair of a facility (Section 2267.151, Government Code).

Chapter 2267 defines the "construction manager-at-risk method" as a delivery method by which a governmental entity contracts with an architect or engineer for design and construction phase services and contracts separately with a construction manager-at-risk to serve as the general contractor and to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility (Section 2267.251, Government Code). The chapter defines "design-build" as a project delivery method by which a governmental entity contracts with a single entity to provide both design and construction services for the construction, rehabilitation, alteration, or repair of a facility (Section 2267.301, Government

Code) and authorizes the use of that method by certain governmental entities for procuring services for the construction, rehabilitation, alteration, or repair of a civil works project (Sections 2267.351 and 2267.353, Government Code).

The authority to use alternative project delivery methods for civil works projects was established in 2007 when House Bill 1886: (1) amended Subchapter H, Chapter 271, Local Government Code, Alternative Project Delivery Methods for Certain Projects, to expand the definition of "facility" for purposes of procedures for competitive sealed proposals and construction manager-at-risk contracts and (2) added Subchapter J to that chapter, Design-Build Procedures for Certain Civil Works Projects. The authority was reestablished and expanded when House Bill 628 (82R) repealed the Local Government Code provisions and replaced them with the provisions of Chapter 2267 in the Government Code.

Because the relevant statutory authority changed during the survey period with the passage of House Bill 628 (82R), and that change affects the survey results, this publication describes the authority to use alternative project delivery methods between September 1, 2007, and August 31, 2011, and beginning September 1, 2011, when the current law governing the use of alternative project delivery methods took effect. The authority to use alternative project delivery methods since the passage of House Bill 1886 (80R) is described in detail below.

### **Competitive Sealed Proposals and the Construction Manager-at-Risk Methods**

**2007 Authorized Projects.** From September 1, 2007, to August 31, 2011, the law authorized a governmental entity to use the CSP and CMAR methods of procurement for the construction, rehabilitation, alteration, or repair of a "facility," which was defined specifically for these purposes to mean an improvement to real property. For purposes of the other alternative project delivery methods authorized by Subchapter H, Chapter 271, Local Government Code (i.e., construction manager-agent, design-build contracts for facilities, and job order contracts for facilities construction or repair), the definition of "facility," which generally meant buildings the design and construction of which are governed by accepted building codes, continued expressly to exclude civil works projects, for which special provisions were included in a separate subchapter (see next section below on Design-Build for Civil Works Projects). (Subchapter H, Chapter 271, Local Government Code, Alternative Project Delivery Methods for Certain Projects, as amended by House Bill 1886, 80R, before its repeal by House Bill 628, 82R)

**2011 Authorized Projects.** Beginning September 1, 2011, the law expands the types of authorized projects by defining "facility," generally, as an improvement to real property for purposes of every type of contracting and delivery method, other than the job order contracts method, authorized for construction projects by Chapter 2267, Government Code. (The authorization to use the job order contracts method as an alternative project delivery method is limited to procuring services relating to certain facilities for which the former definition is retained largely intact.) (Chapter 2267, Government Code, Contracting and Delivery Procedures for Construction Projects, as added by House Bill 628, 82R)

**2007 Authorized Entities.** From September 1, 2007, to August 31, 2011, the law defined "governmental entity" for purposes of authorizing the use of alternative project delivery methods to mean a municipality, county, hospital district, water district, or authority created under Section 59, Article XVI, Texas Constitution, including a river authority, or conservation and reclamation district created under Section 59, Article XVI, Texas Constitution, and located in a county with a population of more than 250,000, or a defense base development authority established under Chapter 379B, Local Government Code. (Section 271.111, Local Government Code, as amended by House Bill 1886, 80R, before its repeal by House Bill 628, 82R)

**2011 Authorized Entities.** Beginning September 1, 2011, the entity types authorized to use alternative project delivery methods are expanded to encompass any governmental entity authorized by law to engage in public works, including an agency in the executive branch of state government, including the Texas Facilities Commission; the supreme court, the court of criminal appeals, a court of appeals, and the Texas Judicial Council; a local government such as a county, municipality, or school district; any special district or authority; a conservation and reclamation district or any type of water district; any political subdivision of the state; a junior college certified by the Texas Higher Education Coordinating Board; and a board of trustees governed by Chapter 54, Transportation Code (i.e., the governing board of the Galveston Wharves, Port of Galveston). (Section 2267.002, Government Code, as added by House Bill 628, 82R)

*Exemptions.* Beginning September 1, 2011, the law exempts from application of such procurement authority Texas Department of Transportation highway projects; an institution of higher education other than a public junior college; regional tollway authorities; certain local government corporation improvement projects; regional mobility authorities; county toll authorities; and a coordinated county transportation authority. (Sections 2267.004 through 2267.010, Government Code, as added by House Bill 628, 82R)

### **Design-Build for Civil Works Projects**

**2007 Authorized Projects.** From September 1, 2007, to August 31, 2011, the law authorized a local governmental entity to use the DB method for the construction, rehabilitation, alteration, or repair of a civil works project, which term is specifically defined for such purpose. (Section 271.185, Local Government Code, as added by House Bill 1886, 80R, before its repeal by House Bill 628, 82R)

**2011 Authorized Projects.** Beginning September 1, 2011, the law authorizes a governmental entity to use the DB method for the construction, rehabilitation, alteration, or repair of a civil works project, which term is specifically defined for such purpose. (Section 2267.353, Government Code, as added by House Bill 628, 82R)

**2007 Authorized Entities.** From September 1, 2007, to August 31, 2011, the law defined "local governmental entity" for purposes of the authority to use the DB method for civil works

projects to mean a municipality, county, river authority, defense base development authority established under Chapter 379B, Local Government Code, municipally owned water utility with a separate governing board appointed by the governing body of a municipality, or any other special district or authority authorized by law to enter into a public works contract for a civil works project. (Section 271.181, Local Government Code, as added by House Bill 1886, 80R, and repealed by House Bill 628, 82R)

*Exemptions.* The former law excluded from the term "local governmental entity" a regional tollway authority created under Chapter 366, Transportation Code, a regional mobility authority created under Chapter 370, Transportation Code, or a water district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, with a population of less than 50,000. (Section 271.181, Local Government Code, as added by House Bill 1886, 80R, before its repeal by House Bill 628, 82R)

**2011 Authorized Entities.** Beginning September 1, 2011, the entity types authorized to use alternative project delivery methods are expanded to encompass any governmental entity authorized by law to engage in public works, including an agency in the executive branch of state government, including the Texas Facilities Commission; the supreme court, the court of criminal appeals, a court of appeals, and the Texas Judicial Council; a local government such as a county, municipality, or school district; any special district or authority; a conservation and reclamation district or any type of water district; any political subdivision of the state; a junior college certified by the Texas Higher Education Coordinating Board; and the Board of Trustees of the Galveston Wharves (Port of Galveston) governed by Chapter 54, Transportation Code. (Section 2267.002, Government Code, as added by House Bill 628, 82R)

*Exemptions.* Beginning September 1, 2011, the previous transportation exemptions are expanded to include Texas Department of Transportation highway projects; certain local government corporation improvement projects; county toll authorities; and a coordinated county transportation authority, as well as the previously exempted regional tollway authorities and regional mobility authorities. The law also exempts an institution of higher education or university system, other than a public junior college. Currently, there are no exemptions for a water district or authority, which had been exempted under the 2007 law. (Sections 2267.004 through 2267.010, Government Code, as added by House Bill 628, 82R)

**2007 and 2009 Population Parameters of Authorized Entities.** From September 1, 2007, to August 31, 2009, the law applied to a local governmental entity with a population of 500,000 or more within its geographic boundaries or service area. From September 1, 2009, to August 31, 2011, the law applied to a local governmental entity with a population of more than 100,000 within its geographic boundaries or service area. During that period, the law also applied to a municipally owned combined electric, water, and wastewater utility situated in an economically distressed area and located within 30 miles of the Lower Texas Gulf Coast. (Section 271.182, Local Government Code, as added by House Bill 1886, 80R, and amended by Senate Bill 1047 [Chapter 135, Acts of the 81st Legislature, Regular Session, 2009], before its repeal by House Bill 628, 82R)

**2011 Population Parameters of Authorized Entities.** Beginning September 1, 2011, the law applies to a governmental entity that has a population of more than 100,000 within the entity's geographic boundaries or service area or is a board of trustees governed by Chapter 54, Transportation Code. (Section 2267.352, Government Code, as added by House Bill 628, 82R)

**2007 Limitation on the Number of Projects.** From September 1, 2007, to August 31, 2011, the number of DB projects for which a local governmental entity could contract in any fiscal year under this authorization was limited to not more than three projects for a local governmental entity with a population of 500,000 or more, two projects for a local governmental entity with a population of 100,000 or more but less than 500,000, and three projects, under certain conditions as prescribed by law, for a municipally owned water utility with a separate governing board appointed by the governing body of a municipality with a population of 500,000 or more.

Under the prior law, after September 1, 2011, the number of DB projects for which a local governmental entity could contract in any fiscal year would have been limited to not more than six projects for a local governmental entity with a population of 500,000 or more, four projects for a local governmental entity with a population of 100,000 or more but less than 500,000, and six projects, under the prescribed conditions, for a municipally owned water utility with a separate governing board appointed by the governing body of a municipality with a population of 500,000 or more. (Section 271.186, Local Government Code, as added by House Bill 1886, 80R, before its repeal by House Bill 628, 82R)

**2011 Limitation on the Number of Projects.** Beginning September 1, 2011, the law reduces the duration of some limits and makes all of the limits apply to a governmental entity. The three-project limit that applied from 2007 to 2011 to a local governmental entity with a population of 500,000 or more now applies from 2011 to 2013 to a governmental entity with that population. The three-project limit that applied from 2007 to 2011 to a municipally owned water utility with a separate governing board appointed by the governing body of a municipality with a population of 500,000 or more now applies from 2011 to 2013. The two-project limit that applied from 2007 to 2011 to a local governmental entity with a population of 100,000 or more but less than 500,000 now applies from 2011 to 2015 to a governmental entity with that population or to a board of trustees governed by Chapter 54, Transportation Code. After those periods expire, whether in 2013 or 2015, as applicable, the limits that would have applied to the respective entities after September 1, 2011, under the prior law as described above will apply to the entities. (Section 2267.354, Government Code, as added by House Bill 628, 82R)

### **Definition of Civil Works Project**

**2007 Definition.** From September 1, 2007, to August 31, 2011, the law defined "civil works project" to mean roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water distribution and wastewater conveyance facilities, desalination

projects, airport runways and taxiways, storm drainage and flood control projects, or transit projects; types of projects or facilities related to those projects and facilities and associated with civil engineering construction; and buildings or structures that are incidental to those projects and facilities and that are primarily civil engineering construction projects. (Section 271.181, Local Government Code, as added by House Bill 1886, 80R, before its repeal by House Bill 628, 82R)

**2011 Definition.** Beginning September 1, 2011, the definition of "civil works project" is expanded to include wharves and docks. (Section 2267.351, Government Code, as added by House Bill 628, 82R)

### Summary of Findings

TLC research staff received responses from 27 entities that provided substantive information about one or more civil works projects procured using the competitive sealed proposal (CSP), construction manager-at-risk (CMAR), or design-build (DB) method of project delivery.<sup>1</sup> The number of projects procured using each method is shown below:

CSP method:	31 projects
CMAR method:	11 projects
DB method:	17 projects
<b>Total:</b>	<b>59 projects</b>

In addition to identifying the method used for a project, local governmental entities that received the survey were asked to provide the primary purpose of the project, year the project was contracted, rationale for using the project method, number of bids received for the project, actual cost of the project if completed or estimated cost if not completed, estimated cost of using a traditional procurement method for the project, and advantages and disadvantages observed in using the chosen method. Respondents did not always submit information in every category, as indicated in the analysis below.

## Projects Procured by Entity Type

<b>Number of Projects by Entity Type (Count)</b>	<b>CSP Method</b>	<b>CMAR Method</b>	<b>DB Method</b>
Municipality (34)	73.5% (25)	17.6% (6)	8.8% (3)
County (8)	25.0% (2)	37.5% (3)	37.5% (3)
Defense Base Development Authority (3)	100.0% (3)		
Transit Authority (3)			100.0% (3)
Regional Tollway Authority (2)			100.0% (2)
Regional Mobility Authority (4)			100.0% (4)
River Authority (4)	25.0% (1)	25.0% (1)	50.0% (2)
Water District (1)		100.0% (1)	
<b>Total count of projects</b>	<b>31</b>	<b>11</b>	<b>17</b>

### Highlights:

- All of the projects procured by a transit authority, regional tollway authority, and regional mobility authority using an alternative project delivery method were procured using the DB method, while all of the projects procured by a defense base development authority were procured under the CSP method. The single project procured by a water district was procured under the CMAR method.
- While the projects procured by a defense base development authority, transit authority, tollway authority, mobility authority, and water district all were procured using a single type of delivery method as noted above, the projects procured by a municipality, county, and river authority were procured using a mix of methods, although the CSP method was by far the method most commonly used by municipalities in their project procurement.
- Among all of the projects for which substantial information was provided by the respondents, the CSP method was the most prevalent alternative project delivery method being used for their procurement (31 out of 59 projects, or 52.5 percent), but this result is driven largely by the fact that the City of Garland alone reported 20 of the 31 projects procured using this method.

## Primary Purpose of the Project

*Note: From the original responses, staff created a short description to characterize the primary purpose of each project.*

<b>Primary Purpose (Count)</b>	<b>CSP Method</b>	<b>CMAR Method</b>	<b>DB Method</b>
Building (11)	36.4% (4)	36.4% (4)	27.3% (3)
Electric utility (15)	93.3% (14)		6.7% (1)
Landfill (2)	100.0% (2)		
Street (6)	100.0% (6)		
Highway (6)			100.0% (6)
Transit (3)			100.0% (3)
Water distribution (6)	50.0% (3)	50.0% (3)	
Water plant (3)		100.0% (3)	
Wastewater (3)			100.0% (3)
Water supply (2)	50.0% (1)	50.0% (1)	
Water - other (1)			100.0% (1)
<b>Total count of projects</b>	<b>30</b>	<b>11</b>	<b>17</b>

### Highlights:

- For project types that were procured exclusively through a single alternative project delivery method, the DB method was the method most commonly used and accounted for the procurement of all of the highway projects, transit projects, wastewater projects, and a river channel ecosystem restoration and recreation project.
- All but one of the electric utility projects and all of the street and landfill projects were procured using the CSP method. The CMAR method was the exclusive method of procurement for all of the water plant projects.
- Building projects were procured using an almost even mix of the three alternative project delivery methods while water distribution and water supply projects were procured using an even mix of the CSP and CMAR methods.

### Year the Project Was Contracted

Year (Count)	CSP Method	CMAR Method	DB Method
2007 (5)	60.0% (3)	40.0% (2)	
2008 (10)	70.0% (7)	10.0% (1)	20.0% (2)
2009 (16)	62.5% (10)	12.5% (2)	25.0% (4)
2010 (7)	42.9% (3)	14.3% (1)	42.9% (3)
2011 (17)	41.2% (7)	17.6% (3)	41.2% (7)
2012 (4)	25.0% (1)	50.0% (2)	25.0% (1)
<b>Total count of projects</b>	<b>31</b>	<b>11</b>	<b>17</b>

#### Highlights:

- Comparing across years from 2007 to 2012, the CSP method was the most commonly used of the alternative project delivery methods during the first three years of the six-year period in the survey (from 2007 to 2009), accounting for 20 of the 31 projects procured during that three-year period and for which respondents provided substantial information. However, the DB method accounted for as many project procurements (11) as did the CSP method in each of the latter three years of the period (from 2010 to 2012).
- In 2007, all of the civil works projects cited in the responses were procured using only the CSP method and the CMAR method. Thereafter, the projects contracted from 2008 to 2012 were procured using a mix of all three alternative project delivery methods, including the DB method.

## Rationale for Using the Procurement Method

*Note: From the original responses, staff created a short description to characterize the rationale for using the method chosen. Projects with multiple rationales were tallied more than once.*

<b>Rationale (Count)</b>	<b>CSP Method</b>	<b>CMAR Method</b>	<b>DB Method</b>
Save Time (16)		31.3% (5)	68.8% (11)
Save Money (15)	33.3% (5)	26.7% (4)	40.0% (6)
Contractor Qualifications (14)	71.4% (10)	21.4% (3)	6.7% (1)
Other (4)	50.0% (2)	25.0% (1)	25.0% (1)

### Highlights:

- Survey results indicate that entities most often chose the DB method of project procurement when the rationale was to save time, but that they tended to choose the CSP method when the rationale was to select the best qualified contractor for the job. The cost factor and the interest in saving money do not seem to confer an advantage to any single method over another to the extent that entities would choose one procurement method predominantly over another.
- Based on all of the responses received and frequency with which each rationale is cited, the respondents appear to have a nearly equal interest in saving time, saving money, and selecting qualified contractors as a factor in their rationale for selecting an alternative project delivery method.

## Number of Bids Received for the Project

*This data may be unrelated either to an entity's decision to use a particular alternative project delivery method or to the use of that method since it is a factor beyond the entity's control, and thus was not analyzed.*

<b>Number of Bids</b>	<b>Number of Projects</b>
1 bid	6
2-5 bids	41
6-9 bids	7
10 or more bids	3
<b>Total count of projects</b>	<b>57</b>

## Actual Cost of the Project

Actual Cost (Count)	CSP Method	CMAR Method	DB Method
Less than \$1 million (23)	91.3% (21)	4.3% (1)	4.3% (1)
Between \$1 million and \$25 million (16)	50.0% (8)	31.3% (5)	18.8% (3)
More than \$25 million (19)	10.5% (2)	26.3% (5)	63.2% (12)
<b>Total count of projects</b>	<b>31</b>	<b>11</b>	<b>16</b>

### Highlights:

- The responses seem to indicate that the less costly projects, particularly those for which the actual cost of the project was less than \$1 million, were procured almost exclusively using the CSP method (21 out of 23, or 91.3 percent, of all such projects). Furthermore, half of the reported projects whose actual cost ranged between \$1 million and \$25 million also were procured using the CSP method.
- On the other hand, the more costly reported projects, for which the actual cost of the project was more than \$25 million, were procured most often using the DB method (12 out of 23, or 63.2 percent, of all projects in this cost range were so procured).

## Estimated Cost of Using a Traditional Procurement Method for the Project

*Note: Since the estimated cost provided in the responses was not based on a given set of predefined criteria or assumptions identified in the survey, the results may not be appropriate for comparison or generalization. Therefore, only a count of total projects that either have an estimated cost that is higher, the same, or lower than the actual cost is provided.*

Estimated Cost	Number of Projects
Lower than actual cost	3
Same as actual cost	9
Higher than actual cost	23
<b>Total count of projects</b>	<b>35</b>

### Advantage(s) Observed in Using the Project Method

*Note: From the original responses, staff created a short description to characterize the advantages observed in using the selected alternative project delivery method. Projects with multiple advantages observed are tallied more than once.*

Advantage (Count)	CSP Method	CMAR Method	DB Method
Cost savings (13)	23.1% (3)	38.5% (5)	38.5% (5)
Effectiveness (8)	25.0% (2)	37.5% (3)	37.5% (3)
Flexibility (10)	50.0% (5)	10.0% (1)	40.0% (4)
Innovation (13)		38.5% (5)	61.5% (8)
Time savings (8)		37.5% (3)	62.5% (5)

#### Highlights:

- Cost savings and innovation were the two most common advantages that respondents observed in using an alternative project delivery method over the traditional method.
- Projects procured using the DB method were most often cited by respondents who observed advantages in the use of an alternative project delivery method, with 25 observations altogether for DB projects. The most common advantage observed in the use of the DB method was innovation (observed in eight of the DB projects where an advantage was observed).

### Disadvantage(s) Observed in Using the Project Method

*Note: From the original responses, staff created a short description to characterize the disadvantages observed in using the selected alternative project delivery method. Projects with multiple disadvantages observed are tallied more than once.*

Disadvantage (Count)	CSP Method	CMAR Method	DB Method
Difficulty (10)	40.0% (4)	20.0% (2)	40.0% (4)
Ineffectiveness (3)	33.3% (1)		66.6% (2)
Unfamiliarity (4)	50.0% (2)		50.0% (2)

#### Highlights:

- More than 75 percent of responses did not cite any observed disadvantages in the use of an alternative project delivery method, suggesting that most entities generally found the use of such methods to be positive.

- Half of the observations of a disadvantage in the use of the DB method cited a difficulty in its use, with the remainder of the observations being evenly divided between ineffectiveness in the use of and unfamiliarity with the method. Survey responses indicate a similar breakdown of the disadvantages observed in the use of the CSP method.

## Methodology

### Survey Design and Implementation

*Entities.* For purposes of conducting a survey of local governmental entities with authority to use the specified alternative project delivery methods for a civil works project during the survey period, TLC research staff first identified the entity types that would be included in the definition of "governmental entity" or "local governmental entity" under the relevant provisions of House Bill 1886 (80R). Next, staff identified additional entity types that received the authority under House Bill 628 (82R). The next step was to eliminate entity types that staff determined were not likely to have civil works projects and types for which staff did not have a source of information about individual entities.

For the entity types that remained, staff identified individual entities having a population of more than 100,000 within the entity's geographic boundaries or service area for purposes of the design-build authority. (It is important to note that an entity's authority to use the design-build method during the survey period depended on when the population within its boundaries or service area reached the applicable population parameter. Please see the discussion of changing population parameters beginning on page 5.) Staff then contacted the individual entities that met the 100,000 population criteria to find the appropriate person to receive the survey. Some of the contacts indicated that they had not used an alternative project delivery method, thereby eliminating those entities from the survey.

Using this process, staff identified 104 entities to survey, representing municipalities, counties, defense base development authorities, regional transportation authorities, metropolitan rapid transit authorities, regional mobility authorities, regional tollway authorities, port authorities, water districts, and river authorities.<sup>1</sup> Regional mobility authorities and regional tollway authorities that were exempted from the design-build provisions of House Bill 1886 (80R) and House Bill 628 (82R) were added to the survey to provide additional information about the use of alternative project delivery methods for civil works projects because these entities have design-build authority under the Transportation Code.

*Instrument.* The survey instrument was developed by staff using Survey Methods, an online survey software application available at [www.surveymethods.com](http://www.surveymethods.com). The survey provided space to allow respondents to describe up to 20 projects procured using one of the applicable alternative project delivery methods. If a respondent had more than 20 projects to describe, the respondent was instructed to contact the Texas Legislative Council.

An e-mail invitation was successfully delivered to the 104 identified entities on June 5, 2012. The invitation explained the purpose of the survey and provided links to complete or opt out of taking the survey. Recipients who did not provide any type of response by June 11 received a reminder e-mail; recipients who did not respond by June 14 received a final reminder. Even though recipients were told that the survey closed on June 18, the survey was kept open after that date to maximize the number of responses received.

## Response Rate

While the overall response rate was 51 percent, the response rate for entities that provided substantive information about the use of an alternative project delivery method for a civil works project was much lower, as shown below:

Survey Response Status	Total Count of Entities	Percent of Total	** Status Response Rate
Provided complete project information for analysis	27	26.0%	30.0%
Provided partial project information	19	18.3%	21.1%
Opted out	6	5.8%	6.7%
No response	38	36.5%	42.2%
Entities that were not appropriate to be surveyed	14	13.5%	
<b>Total count of entities</b>	<b>104</b>	<b>100.0%</b>	<b>100.0%</b>

*\*\* Entities that were not appropriate to be surveyed were determined as such because they indicated in responding to the invitation to participate in the survey that they had not used any of these alternative project delivery methods and consequently are excluded from the total when calculating the status response rates.*

The 27 responding entities that provided substantive information about the use of an alternative project delivery method for a civil works project are as follows:

- Municipality (9): Amarillo, Arlington (two respondents), Austin, Brownsville, Denton, Garland, Killeen, and Laredo
- Municipal utility (1): San Antonio Water System
- County (5): Brazos, Collin, Dallas, Fort Bend, and Midland
- Defense base development authority (2): Brooks Development Authority (San Antonio) and Reese Technology Center (Lubbock)

- Transit authority (2): Houston METRO and DART (Dallas)
- Regional mobility authority (3): Camino Real RMA (El Paso), Central Texas RMA (Austin), and North East Texas RMA (Tyler)
- Regional tollway authority (1): North Texas Tollway Authority
- Regional water district (1): North Texas Municipal Water District (Wylie)
- River authority (3): Angelina & Neches River Authority (Lufkin), Red River Authority of Texas (Wichita Falls), and San Antonio River Authority

### **Limitations of the Findings**

A primary limitation of the findings is that too few responses were returned to generalize the survey results. Although the returned responses provide a sampling of the way that local governmental entities have used alternative project delivery methods since the passage of House Bill 1886 (80R), it is important to note that the number of entities that provided the requested information was quite small. Furthermore, the City of Garland provided information for more than one-third of the projects for which substantive descriptions were received, and certain survey analyses are heavily affected by this, including the analysis comparing the actual cost of a project and the method selected to procure the project. In addition, staff cannot verify that every project included in a response was a civil works project, and this could affect the relevance of buildings submitted as projects eligible for procurement using one of the alternative project delivery methods. Furthermore, information relating to the number of bids received for a project may not relate to the use of a method, and information relating to the estimated cost of using a traditional procurement method for a project may be biased toward achieving savings.

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<sup>1</sup> For purposes of our summary of findings from the survey results, an entity is either a local governmental entity that was authorized to use an applicable alternative project delivery method or an office or department of such local government with that authority for which staff had a contact name and e-mail address to which we could send the invitation to participate in the survey. Accordingly, among the 97 individual local governments identified as having such authority, staff identified three municipalities (Arlington, Carrollton, and Houston) and four counties (Dallas, Guadalupe, Montgomery, and Webb), each of which had two potential respondents to whom we sent the survey, which accounts for the total of 104 survey invitations sent out.

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