

**PUBLIC CHAPTER NO. 274****SENATE BILL NO. 2196****By Kyle****Substituted for: House Bill No. 2253****By Pinion, Odom, Dean**

AN ACT to amend Tennessee Code Annotated, Title 54, Chapter 1, Part 1, relative to design-build contracts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 54, Chapter 1, Part 1, is amended by adding the following language as a new, appropriately designated section:

§ 54-1-1\_\_\_\_. (a) Notwithstanding any other provision of law to the contrary, the department may award contracts using a design-build procedure in accordance with this section. A design-build contract means an agreement that may include, but is not limited to design, right-of-way acquisition, and/or utility relocation, along with the construction of a project by a single entity.

(b) Selection criteria for a design-build contract shall include the cost of the project and may include design-build firm qualifications, time of completion, innovation, design and construction quality, design innovation, or other technical or quality related criteria, as determined by the department.

(c) The department is authorized to award a stipulated fee to design-build firms that submit responsive proposals but are not awarded the design-build contract. The department shall not be required to award such a stipulated fee, but if it elects to award such a fee, the amount of the stipend and the terms under which stipends are to be paid shall be stated in the request for proposals.

(d) The department's authority to use design-build contracting procedures as provided in this section shall be subject to the following limitations:

(1) The department may initiate up to fifteen (15) design-build contracts in any one fiscal year if the contract has a total estimated contract amount of less than one million dollars (\$1,000,000).

(2) The department may not initiate more than five (5) design-build contracts in any one fiscal year if the contract has a total estimated contract amount in excess of one million dollars (\$1,000,000).

(3) If the proposed design-build contract has a total estimated contract amount in excess of seventy million dollars (\$70,000,000), the department shall specifically identify the project as a proposed design-build project in the transportation improvement program submitted

annually to the general assembly in support of the commissioner's annual funding recommendations.

(e) The department shall prepare a report on the effectiveness of design-build contracts and submit it to the chairmen of the Senate and House Transportation Committees upon the completion of three (3) design-build contracts that have a total contract amount in excess of one million dollars (\$1,000,000).

(f) The department may establish agency policy, and/or the department may promulgate rules and regulations in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5, in furtherance of the provisions of this part.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: May 16, 2007**



RON RAMSEY  
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 30th day of May 2007**



PHIL BREDESEN, GOVERNOR