State of Tennessee

PUBLIC CHAPTER NO. 863

SENATE BILL NO. 2334

By Gardenhire, Hatcher, Watson; Mr. Speaker McNally; Seal

Substituted for: House Bill No. 2407

By Scarbrough, Crawford, Powers, Parkinson

AN ACT to amend Tennessee Code Annotated, Title 12, Chapter 3, Part 12, relative to construction project delivery methods.

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

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 3, Part 12, is amended by adding the following language as a new section:

(a) Notwithstanding another law to the contrary, a local government may use any project delivery method that the local government determines most effectively meets the needs of the local government for the construction of qualified local projects, if the local government:

(1) Has a full-time purchasing agent or other full-time procurement employee satisfactory to the comptroller of the treasury, or the comptroller's designee;

(2)(A) Has general governmental revenues of at least one hundred fifty million dollars ($150,000,000), if the local government is a county or metropolitan government, or one hundred twenty-five million dollars ($125,000,000), if the local government is a municipality or other local government in the most recent prior fiscal year; or

(B) Is approved by the comptroller, or the comptroller's designee, to use a project delivery method pursuant to this section upon a determination by the comptroller, or the comptroller's designee, that such use is in the best interests of the local government;

(3) Selects the party to provide the project delivery method by means of a competitive proposal process; and

(4) Has ordinances, rules, regulations, or policies that authorize such competitive proposal process.

(b) As used in this section:

(1) "Competitive proposal process" means a process that, at a minimum, includes the following:

(A) Prior to issuing a request for proposals, the local government publicly discloses the evaluation criteria and the relative weight assigned to each criterion used to evaluate proposals, with the criteria that are based upon qualifications and experience being weighted so that such criteria constitute at least a majority of the scoring criteria, as compared to pricing considerations, and with the criteria that are based upon pricing considerations being weighted so that such criteria constitute at least twenty percent (20%) of the scoring criteria;

(B) The local government discloses the number of, and the occupations of, the members of the selection committee prior to proposal evaluation and maintains written conflict-of-interest disclosures for each committee member;

(C) Promptly following selection of the highest scoring respondent, the local government publishes on its website or procurement platform notice of such selection and the evaluation scores and any notes by each member of the selection committee with respect to the selected proposal;

(D) A mechanism by which a proposer may file a written protest of the selection decision within ten (10) days of notice of such selection, with the local government being required to issue a written response to a protest prior to executing a contract; and

(E) The designation of all procurement documents, including the request for proposals, evaluation criteria, scoring sheets, any written notes of the member of the selection committee, and final contract as public records available upon request;

(2) "Construction manager at-risk" means a project delivery method where the construction manager, acting as the local government's general contractor, is contracted to advise the designer and owner and to deliver a project within a guaranteed maximum price;

(3) "Design-bid-build" means the traditional project delivery method, which customarily involves three (3) sequential project phases, being design, procurement, and construction, and two (2) distinct contracts for the design and construction phases;

(4) "Design-build" means a construction project delivery method that combines architectural and engineering design services with construction performance under one (1) contract;

(5) "Local government" means a county, municipality, metropolitan government, town, utility district, utility authority, local education agency, or other local governmental entity;

(6) "Project delivery method" means any of the following construction contracting methods:

(A) Construction manager at-risk;

(B) Design-bid-build; or

(C) Design-build; and

(7) "Qualified local project" means any construction project, including the renovation of or expansion of an existing building, with an estimated cost to the local government in excess of five million dollars ($5,000,000).

(c) This section does not limit or otherwise affect in any manner any right or authority of any local government to undertake a procurement under any other applicable law. This section is supplemental authority for an eligible local government to undertake the procurement of the construction of a qualified local project.

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

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PASSED: April 13, 2026

RANDY McNALLY
SPEAKER OF THE SENATE

CAMERON SEXTON, *SPEAKER*
HOUSE OF REPRESENTATIVES

APPROVED this 27th **day of** April **2026**

BILL LEE, *GOVERNOR*