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Senate Bill 1320 (Substitute S-1 as reported)
Sponsor: Senator John Pappageorge
Committee: Transportation

CONTENT

The bill would amend the Michigan Transportation Fund law to require certain road construction or preservation contracts to be awarded only to prequalified bidders.

Under the law, all Federal aid construction projects and all other Michigan Department of Transportation (MDOT) projects concerning highways, streets, roads, and bridges, whose costs exceed \$100,000 for construction or preservation, must be performed by contract awarded by competitive bidding, unless MDOT finds that some other method is in the public interest.

Under the bill, that provision would apply to projects whose costs exceeded \$100,000 and did not exceed \$1.0 million.

All Federal aid construction projects and other MDOT projects concerning highways, streets, roads, and bridges whose cost exceeded \$1.0 million for construction or preservation would have to be performed by contract awarded by competitive bidding to bidders who had been prequalified under R 247.22 of the Administrative Code.

(That administrative rule requires a prequalification committee to review a bidder's application for prequalification and to award or renew numerical ratings, an overall financial rating, and work classifications for the bidder. Before awarding or renewing prequalification, the committee must review the bidder's contractor performance evaluation for at least the last two construction seasons.)

The law requires local road agencies that decide not to perform construction or preservation projects exceeding \$100,000 to contract for the work through competitive bidding. Under the bill, those contracts would have to be awarded to prequalified bidders.

Maintenance and routine maintenance projects would not be subject to the prequalification requirements under the bill.

MCL 247.661c

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 6-11-08

Fiscal Analyst: Debra Hollon