



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 1320 (as introduced 5-15-08)  
Sponsor: Senator John Pappageorge  
Committee: Transportation

Date Completed: 5-19-08

### **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.

In addition, local road agencies that decide not to perform construction or preservation projects exceeding \$100,000 must contract for the work through competitive bidding.

Under the bill, those contracts would have to be awarded 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.

MCL 247.661c

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

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

Fiscal Analyst: Debra Hollon

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.