

Act No. 471
Public Acts of 2014
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**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2014**

Introduced by Rep. Schmidt

ENROLLED HOUSE BILL No. 5167

AN ACT to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans

for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,” by amending section 11c (MCL 247.661c), as amended by 2002 PA 498.

The People of the State of Michigan enact:

Sec. 11c. (1) All construction projects of the department concerning highways, streets, roads, and bridges, whose cost exceeds \$100,000.00 for construction or preservation as defined in section 10c, shall be performed by contract awarded by competitive bidding unless the department affirmatively finds that under the circumstances relating to those projects, some other method is in the public interest. The director of the department shall report his or her findings to the state transportation commission 90 days before work is commenced and promptly in writing to the appropriations committees of the senate and house of representatives. However, in a case in which the department determines emergency action is required, the reports need not be filed before a contract is awarded but shall be promptly filed.

(2) All construction projects of a local road agency whose costs exceed \$100,000.00 for construction or preservation, excluding maintenance, shall be performed by contract awarded by competitive bidding unless the local road agency affirmatively finds that under the circumstances relating to those projects, some other method is in the public interest. Installation or upgrading of advanced traffic management and signals is exempt from this subsection. A county road commission shall report its findings before work is commenced in writing to the county board of commissioners of that county. A city or village shall report its findings before work is commenced in writing to the governing elected body of that city or village.

(3) The department shall develop and implement a performance-based maintenance system to improve efficiencies and outcomes in the performance of maintenance services on state trunk line highways.

(4) No later than February 1, 2016, the department shall develop and implement a performance rating system for the maintenance services performed on all highways, streets, and roads under its jurisdiction. The performance rating system shall provide for the collection of data on all maintenance activities, including the quantities and locations of activities performed and the costs associated with those activities.

(5) Beginning October 1, 2016, a minimum of 20% of all funds expended by the department for maintenance services shall be based on performance outputs or outcomes associated with the performance rating system required under subsection (4).

(6) The director of the department shall report results and findings on the outcomes of state trunk line highway maintenance services, the contracting process, and contract performance for all contracts entered into under this section no later than June 1, 2017, and on December 1 of each subsequent year to the appropriations committees of the senate and house of representatives.

(7) A local road agency that received at least \$20,000,000.00 in funding from the Michigan transportation fund in fiscal year 2013 shall develop, in conjunction with the transportation asset management council and the department, and implement a performance-based preventative maintenance system to improve efficiencies and outcomes in the performance of preventative maintenance services on all highways, streets, and roads under its jurisdiction.

(8) No later than February 1, 2017, a local road agency described in subsection (7) shall develop and implement a performance rating system for the preventative maintenance services performed on all highways, streets, and roads under its jurisdiction. The performance rating system shall provide for the collection of data on all preventative maintenance activities, including the quantities and locations of activities performed and the costs associated with those activities.

(9) Beginning October 1, 2017, a minimum of 20% of all funds expended by a local road agency described in subsection (7) for preventative maintenance services shall be based on performance outputs or outcomes associated with the performance rating system required under subsection (8).

(10) The chief executive of each local road agency required to competitively bid under this section shall report results and findings on the outcomes of preventative maintenance services performed on all highways, streets, and roads under the jurisdiction of that local road agency, the contracting process, and contract performance for all contracts entered into under this section no later than June 1, 2018, and on June 1 of each subsequent year to the director of the department and to the appropriations committees of the senate and house of representatives.

(11) As used in this section:

(a) “Local road agency” means that term as defined in section 9a.

(b) “Maintenance services” means routine and reactive maintenance activities undertaken to ensure the normal and safe operation of a highway, street, or road, including activities performed on an appurtenance or roadside feature associated with a highway, street, or road that is necessary for the safe operation of the appurtenance or roadside feature. Maintenance services do not include a construction activity that is intended to significantly repair, resurface, rehabilitate, or reconstruct a highway, street, or road, or an appurtenance or roadside feature associated with a highway, street, or road.

Enacting section 1. This amendatory act does not take effect unless House Joint Resolution UU of the 97th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor