

HCS HB 359 -- DESIGN-BUILD HIGHWAY PROJECT CONTRACTS

SPONSOR: Hobbs (Denison)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Infrastructure and Transportation Funding by a vote of 12 to 0.

This substitute allows the Highways and Transportation Commission to enter into more than three design-build highway project contracts, but the total number of contracts cannot exceed 2% of the total number of all state highway system projects listed in the commission's approved statewide transportation improvement project for the fiscal year.

The design-builder is required to provide to the commission his or her bid, performance and payment bonds, or letters of credit on forms as the commission determines to be adequate. The performance bond or bonds for the construction period specified must be equal to a reasonable estimate of the total cost of construction work unless the commission determines in writing that the amount is impractical, in which case the commission must establish the amount. Currently, the bond or bonds must be in an aggregate amount of \$200 million or 25% of a reasonable estimate of the cost of construction work, whichever is lower, unless the commission allows other security.

Any project constructed must comply with the clearance and safety requirements regarding railroads as established by the Federal Railroad Administration, and any affected railroad must be given reasonable opportunity to review all project plans.

The substitute contains an emergency clause and will become effective upon appropriation of federal-aid highway funds.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the bill allows the state to enter into design-build projects anywhere in the state. Currently, all three projects have been in the St. Louis and Kansas City areas. Allowing the state to enter into more projects will condense and expedite the progression of projects and will cut costs associated with infrastructure construction.

Testifying for the bill were Representative Denison; Department of Transportation; Associated General Contractors of St. Louis; American Council of Engineering Companies of Missouri; Heavy Constructors Association of Greater Kansas City; and St. Charles County.

OPPONENTS: Those who oppose the bill say that it gives the Department of Transportation authority to determine what projects are available for design-build forever and believe that the General Assembly should have some oversight.

Testifying against the bill was Associated General Contractors of Missouri.