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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3035

02/03/2022 Authored by Hornstein and Petersburg The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to transit; requiring the legislative auditor to conduct a special review of
1.3 specified aspects of the Southwest light rail transit project; appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. SOUTHWEST LIGHT RAIL TRANSIT PROJECT AUDIT.

1.6 (a) The legislative auditor must conduct a special review of the Southwest light rail
1.7 transit project costs, cost overruns, scope changes, delays, personnel qualifications,
1.8 construction quality, and management. At a minimum, the auditor must:

1.9 (1) evaluate whether current practices on project cost estimating, contracting, negotiations,
1.10 management processes, and hiring result in cost overruns or cause schedule delays;

1.11 (2) evaluate whether the Metropolitan Council's posting, interviewing, and hiring process
1.12 for internal staff resulted in qualified and competent project management personnel;

1.13 (3) evaluate whether the current practices on reviewing change orders, determining fair
1.14 pricing, and establishing credits for lump-sum bid prices are reasonable and appropriate;

1.15 (4) identify all changes to the project schedule and evaluate whether the changes were
1.16 reasonable, appropriate, and impact the project completion date;

1.17 (5) evaluate whether current practices on requiring, monitoring, and assuring quality of
1.18 construction and materials is sufficient;

1.19 (6) evaluate whether the methodology used by the Metropolitan Council to calculate the
1.20 requests for additional public funding for the project is reasonable, appropriate, and aligned
1.21 with standard engineering practice;

2.1 (7) evaluate whether the use of contingency funds is reasonable and appropriate;

2.2 (8) determine the balance in the contingency fund;

2.3 (9) determine the balance of available funding currently committed by Hennepin County  
2.4 and other regional partners;

2.5 (10) evaluate potential financial impacts on Hennepin County if the Metropolitan Council  
2.6 requests additional funding from the county beyond the existing contingency funding;

2.7 (11) determine the revised total project budget and analyze the level of financial risk of  
2.8 any further changes to the project;

2.9 (12) determine the current overall project timeline and any specific deadlines or  
2.10 benchmark dates, identify any currently proposed schedule changes, and determine whether  
2.11 project changes are on a critical path;

2.12 (13) evaluate whether current penalties for missed deadlines or benchmarks are  
2.13 appropriate and, where applicable, if they have been imposed for previously missed deadlines  
2.14 or benchmarks; and

2.15 (14) make recommendations on how the Metropolitan Council and Hennepin County  
2.16 can best avoid additional cost overruns, minimize delays, manage risks, assure sufficient  
2.17 construction quality, effectively address further changes, and increase public transparency  
2.18 about the current cost and schedule for the project's completion.

2.19 (b) The legislative auditor must complete the special review by ... and must provide the  
2.20 findings of the review to the chairs and ranking minority members of the legislative  
2.21 committees with jurisdiction over transportation finance and policy.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.23 Sec. 2. **APPROPRIATION.**

2.24 \$..... in fiscal year 2022 is appropriated from the general fund to the Office of the  
2.25 Legislative Auditor for the purposes of conducting the audit required by section 1. This is  
2.26 a onetime appropriation and is available until June 30, 2023.

2.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.