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HOUSE FILE NO. 3334

FIRST COMMITTEE ENGROSSMENT

March 4, 2010

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The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division

March 11, 2010

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

Referred by Chair to Transportation Finance and Policy Division.

March 25, 2010

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
1.2 relating to transportation; amending trunk highway project bidding procedures;
1.3 requiring use of alternative bidding for competing paving materials; amending
1.4 Minnesota Statutes 2008, sections 161.32, by adding a subdivision; 174.185.

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

1.6 Section 1. Minnesota Statutes 2008, section 161.32, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 8. **Alternative bidding; paving materials.** (a) For purposes of this
1.9 subdivision, the terms defined in section 174.185, subdivision 1, have the meanings given
1.10 them.

1.11 (b) For all contracts for an applicable project entered into on or after January 31,
1.12 2011, the commissioner shall use the standard for life-cycle cost analysis developed under
1.13 section 174.185, subdivision 1a, as the basis for alternative bidding in which bidders may
1.14 select alternative project designs that use alternative paving materials.

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

1.16 Sec. 2. Minnesota Statutes 2008, section 174.185, is amended to read:

1.17 **174.185 PAVEMENT LIFE-CYCLE COST ANALYSIS.**

1.18 Subdivision 1. **Definitions.** For the purposes of this section, the following
1.19 definitions apply.

1.20 (a) "Applicable project" means any suitable trunk highway project in the statewide
1.21 transportation improvement program categorized for construction, reconstruction,
1.22 resurfacing, or reconditioning. Applicable project does not include (1) overlays; (2) on
1.23 a two-lane road, a main-line project in which there is less than two miles of length of

2.1 roadway within the construction limits; and (3) on a multilane road, a main-line project in
2.2 which there is less than 30,000 square yards of paving within the construction limits.

2.3 (b) "Life-cycle cost" is the sum of the cost of the initial pavement project and
2.4 all anticipated costs for maintenance, repair, and resurfacing over the life of the
2.5 pavement. Anticipated costs must be based on Minnesota's actual or reasonably projected
2.6 maintenance, repair, and resurfacing schedules, and costs determined by the Department
2.7 of Transportation district personnel based upon recently awarded local projects and
2.8 experience with local material costs.

2.9 ~~(b)~~ (c) "Life-cycle cost analysis" is a comparison of life-cycle costs among
2.10 competing paving materials using equal design lives and equal comparison periods.

2.11 Subd. 1a. **Uniform standard.** By January 15, 2011, the commissioner shall develop
2.12 a statewide uniform standard for life-cycle cost analysis based on the net present value
2.13 method of comparative analysis of alternate paving materials from the Federal Highway
2.14 Administration, United States Department of Transportation.

2.15 Subd. 2. **Required analysis.** For each applicable project ~~in the reconditioning,~~
2.16 ~~resurfacing, and road repair funding categories,~~ the commissioner shall perform a
2.17 life-cycle cost analysis and shall document the lowest life-cycle costs and all alternatives
2.18 considered. The commissioner shall document the chosen pavement strategy and, if the
2.19 lowest life cycle is not selected, document the justification for the chosen strategy. A
2.20 life-cycle cost analysis is required for projects to be constructed after ~~July 1~~ January 31,
2.21 2011. For projects to be constructed ~~prior to July~~ before February 1, 2011, when feasible,
2.22 the department will use its best efforts to perform life-cycle cost analyses.

2.23 Subd. 3. **Report.** By January 15, 2012, and annually by January 15 thereafter, the
2.24 commissioner shall report ~~annually~~ to the chairs and ranking minority members of the
2.25 senate and house of representatives committees with jurisdiction over transportation
2.26 finance ~~beginning on January 1, 2012,~~ on:

2.27 (1) the results of the analyses required in subdivision 2; and

2.28 (2) the results of alternative bidding under section 161.32, subdivision 8, including a
2.29 listing of projects awarded using alternative bidding and projects identified as unsuitable
2.30 for alternative bidding.

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