

HCS HB 359 -- DESIGN-BUILD HIGHWAY PROJECT CONTRACTS (Denison)

COMMITTEE OF ORIGIN: Special Committee on Infrastructure and Transportation Funding

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 substitute specifically allows the commission to enter into design-build highway project contracts for the design, construction, reconstruction, or improvement of Missouri Route 364 in the counties of St. Charles and St. Louis and the State Highway 169 and the 96th Street intersection in Kansas City. Authority for these projects will not expire when the commission's authority to enter into design-build highway project contracts expires in 2022.

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.