



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 4476 (Substitute H-1 as passed by the House)  
Sponsor: Representative Gary Eisen  
House Committee: Transportation  
                                    Ways and Means  
Senate Committee: Transportation and Infrastructure

Date Completed: 9-9-20

### **CONTENT**

**The bill would amend Public Act 51 of 1951, the Michigan Transportation Fund law, to do the following:**

- **Exempt the installation or upgrading of advanced traffic operation centers and traffic signal utilities from a requirement that all construction projects of the Michigan Department of Transportation (MDOT) concerning highways, streets, roads, and bridges be performed by contract if the cost exceeded \$100,000.**
- **Modify from \$100,000 to \$300,000 the threshold at which construction projects of a local road agency would have to be performed by contract awarded through competitive bidding unless other circumstances apply.**
- **Prohibit a local road agency from performing construction projects that meet the threshold to require a contract awarded by competitive bidding that if performed by a contract in that manner would exceed a total of \$800,000 in a fiscal year.**

Under the Act, all MDOT construction projects concerning highways, streets, roads, and bridges, whose cost exceeds \$100,000 for construction or preservation must be performed by contract awarded by competitive bidding unless MDOT finds that some other method is in the public interest. The Director of MDOT must 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 MDOT determines emergency action is required, the reports need not be filed before a contract is awarded but must be promptly filed. The bill would exempt from these requirements the installation or upgrading of advanced traffic operation centers and traffic signal utilities.

The Act also specifies that all construction projects of a local road agency whose costs exceed \$100,000 for construction or preservation, excluding maintenance, must be performed by contract awarded by competitive bidding unless the local road agency finds that some other method is in the public interest. Under the bill, this requirement instead would apply to all construction projects of a local road agency where the individual project and any contiguous project costs exceeded \$300,000 for construction or preservation, excluding maintenance.

The Act currently exempts the installation or upgrading of advanced traffic management and signals from the requirement to be performed by contract as described above. The bill would modify this provision to exempt the installation or upgrading of advanced traffic operation centers and traffic signal utilities from the requirement.

The bill also would prohibit a local road agency from performing construction projects described above that if performed by a contract awarded by competitive bidding would exceed a total of \$800,000 in a fiscal year.

MCL 247.661c

Legislative Analyst: Tyler VanHuyse

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on State and local government. Data on the cost for the installation or upgrading of traffic operations centers and traffic signal utilities are unavailable. It also is not clear whether raising the direct force threshold for local road agency projects to \$300,000, or limiting a local government's ability to bid on construction projects that exceeded \$800,000, would result in additional savings or expense for those projects.

Fiscal Analyst: Michael Siracuse

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.