

## 2008 SPECIAL SESSION II

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### HOUSE BILL NO. 6027

Offered June 23, 2008

A *BILL to amend and reenact § 33.1-12 of the Code of Virginia, relating to fixed-price contracts for provision of materials, equipment, and supplies in connection with highway construction projects.*

Patron—Hogan

Referred to Committee on Transportation

**Be it enacted by the General Assembly of Virginia:**

**1. That § 33.1-12 of the Code of Virginia is amended and reenacted as follows:**

§ 33.1-12. General powers and duties of Board, etc.; definitions.

The Commonwealth Transportation Board shall be vested with the following powers and shall have the following duties:

(1) Location of routes. To locate and establish the routes to be followed by the roads comprising systems of state highways between the points designated in the establishment of such systems.

(2) Construction and maintenance contracts and activities related to passenger and freight rail and public transportation.

(a) To let all contracts to be administered by the Virginia Department of Transportation or the Department of Rail and Public Transportation for the construction, maintenance, and improvement of the roads comprising systems of state highways and for all activities related to passenger and freight rail and public transportation in excess of \$2 million. The Commonwealth Transportation Commissioner shall have authority to let all Virginia Department of Transportation-administered contracts for highway construction, maintenance, and improvements up to \$2 million in value. The Director of the Department of Rail and Public Transportation shall have the authority to let contracts for passenger and freight rail and public transportation improvements up to \$2 million in value. The Commonwealth Transportation Commissioner is authorized to enter into agreements with localities, authorities, and transportation districts to administer projects and to allow those localities, authorities, and transportation districts to let contracts for highway construction, maintenance, and improvements within their jurisdictions. The Director of the Department of Rail and Public Transportation is authorized to enter into agreements with localities, authorities, and transportation districts to administer projects and to allow those localities, authorities, and transportation districts to let contracts for passenger and freight rail and public transportation activities within their jurisdictions. The Commonwealth Transportation Commissioner and the Director of the Department of Rail and Public Transportation shall report on their respective transportation contracting activities at least quarterly to the Board.

(b) The Commonwealth Transportation Board may award contracts for the construction of transportation projects on a design-build basis. These contracts may be awarded after a written determination is made by the Commonwealth Transportation Commissioner or the Director of the Department of Rail and Public Transportation, pursuant to objective criteria previously adopted by the Board regarding the use of design-build, that delivery of the projects must be expedited and that it is not in the public interest to comply with the design and construction contracting procedures normally followed. Such objective criteria will include requirements for prequalification of contractors and competitive bidding processes. These contracts shall be of such size and scope to encourage maximum competition and participation by agency prequalified and otherwise qualified contractors. Such determination shall be retained for public inspection in the official records of the Department of Transportation or the Department of Rail and Public Transportation, as the case may be, and shall include a description of the nature and scope of the project and the reasons for the Commissioner's or Director's determination that awarding a design-build contract will best serve the public interest. The provisions of this section shall supersede contrary provisions of subsection D of § 2.2-4303 and § 2.2-4306.

(c) For transportation construction projects valued in excess of \$100 million, the Commonwealth Transportation Board shall require that a financial plan be prepared. This plan shall include, but not be limited to, the following: (i) a complete cost estimate for all major project elements; (ii) an implementation plan with the project schedule and cost-to-complete information presented for each year; (iii) identified revenues by funding source available each year to meet project costs; (iv) a detailed cash-flow analysis for each year of the proposed project; and (v) efforts to be made to ensure maximum involvement of private enterprise and private capital.

(d) *The Commonwealth Transportation Board may award contracts for the provision of equipment, materials, and supplies to be used in construction of transportation projects on a fixed-price basis. Any*

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59 *such contract shall provide that the price to be paid for the provision of equipment, materials, and*  
60 *supplies to be furnished in connection with the projects shall not be increased but shall remain fixed*  
61 *until completion of the projects specified in the contracts. Material components of any such contract for*  
62 *annual and multi-year programs, including but not limited to maintenance, shall be fixed at the outset of*  
63 *the projects and until completion based on best achievable prices.*

64 (3) Traffic regulations. To make rules and regulations, from time to time, not in conflict with the  
65 laws of the Commonwealth, for the protection of and covering traffic on and the use of systems of state  
66 highways and to add to, amend or repeal the same.

67 (4) Naming highways, bridges, and interchanges. To give suitable names to state highways, bridges,  
68 and interchanges and change the names of any highways, bridges, or interchanges forming a part of the  
69 systems of state highways, except such highways, bridges, or interchanges as have been or may hereafter  
70 be named by the General Assembly; provided that the name of living persons shall not be used for such  
71 purposes. The Department of Transportation shall place and maintain appropriate signs indicating the  
72 names of highways, bridges, and interchanges named by the Board or by the General Assembly. The  
73 costs of producing, placing, and maintaining these signs shall be paid by the counties, cities, and towns  
74 in which they are located. No name shall be given to any state highway, bridge or interchange by the  
75 Commonwealth Transportation Board unless and until the Commonwealth Transportation Board shall  
76 have received from the local governing body of the locality within which a portion of the facility to be  
77 named is located a resolution of that governing body requesting such naming.

78 (5) Compliance with federal acts. To comply fully with the provisions of the present or future federal  
79 aid acts. The Board may enter into all contracts or agreements with the United States government and  
80 may do all other things necessary to carry out fully the cooperation contemplated and provided for by  
81 present or future acts of Congress in the area of transportation.

82 (6) Information and statistics. To gather and tabulate information and statistics relating to  
83 transportation and disseminate the same throughout the Commonwealth. In addition, the Commissioner  
84 shall provide a report to the Governor, the General Assembly, the Commonwealth Transportation Board,  
85 and the public concerning the current status of all highway construction projects in the Commonwealth.  
86 This report shall be posted at least four times each fiscal year, but may be updated more often as  
87 circumstances allow. The report shall contain, at a minimum, the following information for every project  
88 in the Six-Year Improvement Program: (i) project description; (ii) total cost estimate; (iii) funds  
89 expended to date; (iv) project timeline and completion date; (v) statement of whether project is ahead of,  
90 on, or behind schedule; (vi) the name of the prime contractor; (vii) total expenditures of federal  
91 transportation funds in each county and city; (viii) total expenditures of state transportation funds in  
92 each county and city; (ix) statewide totals for federal, state, and local funds expended for highways; (x)  
93 statewide totals for federal, state, and local funds expended for transit; (xi) total funds expended on  
94 intercity passenger and freight rail line and trains; and (xii) total funds expended in each federal and  
95 state programmatic category. Use of one or more Internet websites may be used to satisfy this  
96 requirement. Project specific information posted on the Internet shall be updated daily as information is  
97 available.

98 (7) Policies and operation of Departments. To review and approve policies and transportation  
99 objectives of the Department of Transportation and the Department of Rail and Public Transportation, to  
100 assist in establishing such policies and objectives, to oversee the execution thereof, and to report thereon  
101 to the Commonwealth Transportation Commissioner and the Director of the Department of Rail and  
102 Public Transportation, respectively.

103 (8) Cooperation with other agencies and local governments.

104 (a) To cooperate with the federal government, the American Association of State Highway and  
105 Transportation Officials and any other organization in the numbering, signing and marking of highways,  
106 in the taking of measures for the promotion of highway safety, in research activities, in the preparation  
107 of standard specifications, in the testing of highway materials and otherwise with respect to  
108 transportation projects.

109 (b) To offer technical assistance and coordinate state resources to work with local governments, upon  
110 their request, in developing sound transportation components for their local comprehensive plans.

111 (9) Transportation.

112 (a) To monitor and, where necessary, approve actions taken by the Department of Rail and Public  
113 Transportation pursuant to Chapter 10.1 (§ 33.1-391.1 et seq.) of this title in order to ensure the efficient  
114 and economical development of public transportation, the enhancement of rail transportation, and the  
115 coordination of such rail and public transportation plans with highway programs.

116 (b) To coordinate the planning for financing of transportation needs, including needs for highways,  
117 railways, seaports, airports, and public transportation and to set aside funds as provided in  
118 § 33.1-23.03:1. To allocate funds for these needs pursuant to §§ 33.1-23.1 and 58.1-638, the Board shall  
119 adopt a Six-Year Improvement Program of anticipated projects and programs by July 1 of each year.  
120 This program shall be based on the most recent official Transportation Trust Fund revenue forecast and

shall be consistent with a debt management policy adopted by the Board in consultation with the Debt Capacity Advisory Committee and the Department of the Treasury.

(c) To recommend to the General Assembly for their consideration at the next session of the General Assembly, objective criteria to be used by the Board in selecting those transportation projects to be advanced from the feasibility to the construction stage. If such criteria are enacted into law, such objectives shall apply to the interstate, primary, and urban systems of highways.

(d) To enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes.

(e) To promote increasing private investment in Virginia's transportation infrastructure, including but not limited to acquisition of causeways, bridges, tunnels, highways, and other transportation facilities.

(10) Contracts with other states. To enter into all contracts with other states necessary for the proper coordination of the location, construction, maintenance, improvement, and operation of transportation systems, including the systems of state highways with the highways of such other states and, where necessary, to seek the approval of such contracts by the Congress of the United States.

(11) Use of funds. To administer, distribute, and allocate funds in the Transportation Trust Fund as provided by law. The Commonwealth Transportation Board shall ensure that the total funds allocated to any highway construction project are equal to total expenditures within 12 months following completion of the project. However, this requirement shall not apply to debt service apportionments pursuant to § 33.1-23.3 or 33.1-23.4.

(12) Financial and investment advisors. With the advice of the Secretary of Finance and the State Treasurer, to engage a financial advisor and investment advisor who may be anyone within or without the government of the Commonwealth, to assist in planning and making decisions concerning the investment of funds and the use of bonds for transportation purposes. The work of these advisors shall be coordinated with the Secretary of Finance and the State Treasurer.

(13) The powers of the Virginia Aviation Board set out in Chapter 1 (§ 5.1-1 et seq.) of Title 5.1 and the Virginia Port Authority set out in Chapter 10 (§ 62.1-128 et seq.) of Title 62.1 are in no way diminished by the provisions of this title.

(14) To enter into payment agreements with the Treasury Board related to payments on bonds issued by the Commonwealth Transportation Board.

(15) Outdoor theaters. By regulation:

(a) To prevent the erection of moving picture screens of outdoor theaters in such a manner as to be ordinarily visible from any highway;

(b) To require that a sufficient space is left between any highway and the entrance to any outdoor theater to prevent congestion on the highway; and

(c) To require that outdoor theater entrances and exits are adequately lighted and marked.

The term "public transportation" or "mass transit" as used in this title means passenger transportation by rubber-tired, rail, or other surface conveyance which provides shared ride services open to the general public on a regular and continuing basis. The term does not include school buses; charter or sight-seeing service; vehicular ferry service that serves as a link in the highway network; or human service agency or other client-restricted transportation.

(16) Establishment of highway user fees for the systems of state highways. When the traffic-carrying capacity of any system of state highways or a portion thereof is increased by construction or improvement, the Commonwealth Transportation Board may enter into agreements with localities, authorities, and transportation districts to establish highway user fees for such system of state highways or portion thereof that the localities, authorities, and transportation districts maintain.