

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 879**

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line

fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending sections 1h and 1i (MCL 247.651h and 247.651i), section 1h as amended by 2008 PA 501 and section 1i as added by 2001 PA 259.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1h. (1) The department shall develop and implement a
2 life-cycle cost analysis for each **CONSTRUCTION AND RECONSTRUCTION**
3 project for which **THE ESTIMATED** total pavement costs exceed
4 ~~\$1,000,000.00~~ **\$1,500,000.00** funded in whole ~~—~~or in part ~~—~~with
5 state funds. The department shall design and award paving projects
6 utilizing material having the lowest life-cycle cost. All pavement
7 design life shall ensure that state funds are utilized as
8 efficiently as possible.

9 (2) As used in this section **AND SECTION 1I**, "life-cycle cost"
10 means the total of the cost of the initial project plus all
11 anticipated costs for subsequent maintenance, repair, or
12 resurfacing over the life of the pavement.

13 (3) Except as otherwise provided in this section, life-cycle
14 cost shall compare equivalent designs and shall be based upon

1 Michigan's actual historic project maintenance, repair, and
2 resurfacing schedules and costs as recorded by the pavement
3 management system, and shall include estimates of user costs
4 throughout the entire pavement life.

5 (4) For pavement projects for which there are no **RELEVANT**
6 Michigan actual historic project maintenance, repair, and
7 resurfacing schedules and costs as recorded by the pavement
8 management system, the department may use ~~actual~~ **EITHER OF THE**
9 **FOLLOWING AS A SUBSTITUTE FOR THE REQUIREMENTS LISTED IN SUBSECTION**
10 **(3) :**

11 **(A) ACTUAL** historical and comparable data for **REASONABLY**
12 equivalent designs from ~~states~~ **GEOGRAPHIC LOCATIONS** with similar
13 climates, soil structures, or vehicle traffic.

14 **(B) THE DEPARTMENT MAY DETERMINE APPROPRIATE ESTIMATED**
15 **MAINTENANCE, REPAIR, AND RESURFACING SCHEDULES FOR A PROJECT BY**
16 **USING PRELIMINARY RESULTS FROM A DEMONSTRATION PROJECT DESCRIBED IN**
17 **SECTION 11(1) THAT IS UNDERWAY AT THE TIME OF THE PROJECT. THE**
18 **SCHEDULES DESCRIBED IN THIS SUBDIVISION SHALL BE DETERMINED USING**
19 **APPROPRIATE ENGINEERING ANALYSIS TECHNIQUES AND SHALL BE APPROVED**
20 **BY THE CHIEF ENGINEER OF THE DEPARTMENT. THE TEMPORARY SCHEDULES**
21 **DESCRIBED IN THIS SUBDIVISION SHALL BE SUPERSEDED BY ACTUAL**
22 **PERFORMANCE DATA AS IT IS DEVELOPED.**

23 (5) AS USED IN THIS SECTION, "TOTAL PAVEMENT COSTS" INCLUDES,
24 BUT IS NOT LIMITED TO, THE ENTIRE MATERIAL COST OF A PROJECT,
25 INCLUDING, BUT NOT LIMITED TO, THE COST OF BASE AND SUB-BASE
26 MATERIALS, RUBBLIZATION, EMBANKMENT, AND HOT MIX ASPHALT SEPARATOR
27 LAYERS.

1 Sec. 1i. (1) Notwithstanding section 1h, the department may
2 conduct ~~not more than 4~~ pavement demonstration projects ~~each year~~
3 to evaluate new construction methods, materials, or ~~design.~~ **DESIGNS**
4 **THAT DO NOT HAVE ACTUAL MICHIGAN HISTORICAL PROJECT MAINTENANCE,**
5 **REPAIR, OR RESURFACING SCHEDULES OR COSTS RECORDED BY THE PAVEMENT**
6 **MANAGEMENT SYSTEM.** The department may ~~offer or~~ conduct a pavement
7 demonstration project that may be all or a portion of that project
8 using either concrete or asphalt as determined by the department.
9 Each demonstration project shall include measurable goals and
10 objectives for determining the success of that project. The
11 department shall **MEASURE THE INTERIM SUCCESS OF EACH DEMONSTRATION**
12 **PROJECT EACH YEAR AND** make a final report for each demonstration
13 project following the demonstration life of the project, which may
14 be shorter than the actual pavement life of the material used for
15 the project, that assesses the cost-effectiveness and performance
16 of the pavement materials and design used in the project and
17 compares the results to the pavement material identified under the
18 department's standard pavement selection process.

19 (2) **A DEMONSTRATION PROJECT SHALL NOT BE CONDUCTED WITHOUT THE**
20 **APPROVAL OF THE DEPARTMENT. IF A PROPOSED DEMONSTRATION PROJECT IS**
21 **REJECTED, THE DEPARTMENT SHALL PROVIDE AN EXPLANATION OF THE REASON**
22 **FOR THE REJECTION TO THE PERSON THAT PROPOSED THE DEMONSTRATION**
23 **PROJECT.** Demonstration projects shall be selected using any of the
24 following criteria:

25 (a) Pavement designs intended to increase pavement life
26 expectancy **IN A MANNER THAT WILL RESULT IN LOWERED LIFE-CYCLE**
27 **COSTS.**

1 (b) Pavement designs intended to improve performance,
2 including, but not limited to, friction, surface stress, reduction
3 of noise, and improvement of ride quality.

4 (c) Comparisons of performance of various types of pavement.

5 (3) ~~The~~ **IF THE DIFFERENCE BETWEEN THE** total cost of contracts
6 awarded for demonstration projects under this section using asphalt
7 and concrete ~~shall not exceed a difference of more than 20% between~~
8 ~~the respective paving materials in any 2-year period.~~ **IN ANY**

9 **CONTIGUOUS 3-YEAR PERIOD IS MORE THAN, OR IS ANTICIPATED TO BE MORE**
10 **THAN, 25%, THE DEPARTMENT SHALL SUBMIT A DETAILED LETTER OF**
11 **EXPLANATION TO THE CHAIRS OF THE SENATE AND HOUSE OF**
12 **REPRESENTATIVES TRANSPORTATION COMMITTEES, THE SENATE MAJORITY**
13 **LEADER, AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES EXPLAINING**
14 **WHY THERE IS A DIFFERENCE AND RECOMMENDATIONS ON HOW THE DEPARTMENT**
15 **WILL REDUCE THE DIFFERENCE TO BELOW 25% OVER THE NEXT 3 YEARS.** As
16 used in this subsection, "total costs" means the initial engineer's
17 estimated costs of the pavement design portion of the project.

18 **NOTHING IN THIS SUBSECTION REQUIRES THAT ANY INDIVIDUAL**
19 **DEMONSTRATION PROJECT BE DUPLICATED WITH BOTH ASPHALT AND CONCRETE.**

20 (4) The director shall provide an annual report, not later
21 than ~~February~~ **JULY** 1 of each year, to the senate and house of
22 representatives transportation standing committees and the senate
23 and house of representatives appropriations subcommittees on
24 transportation regarding the status of each demonstration project.

25 **(5) A LACK OF MICHIGAN ACTUAL HISTORIC PROJECT MAINTENANCE,**
26 **REPAIR, AND RESURFACING SCHEDULES AND COSTS AS RECORDED BY THE**
27 **PAVEMENT MANAGEMENT SYSTEM DOES NOT PRECLUDE THE DEPARTMENT FROM**

1 CONDUCTING A PAVEMENT DEMONSTRATION PROJECT UNDER THIS SECTION.

2 (6) THE DEPARTMENT SHALL STRIVE TO REDUCE THE EQUIVALENT
3 UNIFORM ANNUAL COST OF DEMONSTRATION PROJECTS DESCRIBED IN THIS
4 SECTION BY 5% OVER THE 10-YEAR PERIOD FOLLOWING THE EFFECTIVE DATE
5 OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.

6 Enacting section 1. This amendatory act takes effect 90 days
7 after the date it is enacted into law.