



NEW COUNTY ROAD AGENCY REQUIREMENTS

Competitive Bidding Requirements

New project administration requirements were included in the 2015 transportation package (PA 181 and 182) and have imposed new competitive bidding requirements on local road agencies.

PA 181

PA 181 provides townships with the option to require competitive bidding on local road projects provided:

- ▶ The township contributes 50 percent of the costs; and
- ▶ Project estimated costs exceed \$25,000 for unpaved roads or \$50,000 for paved roads.
- ▶ *Maintenance projects are not subject to this bidding requirement.*

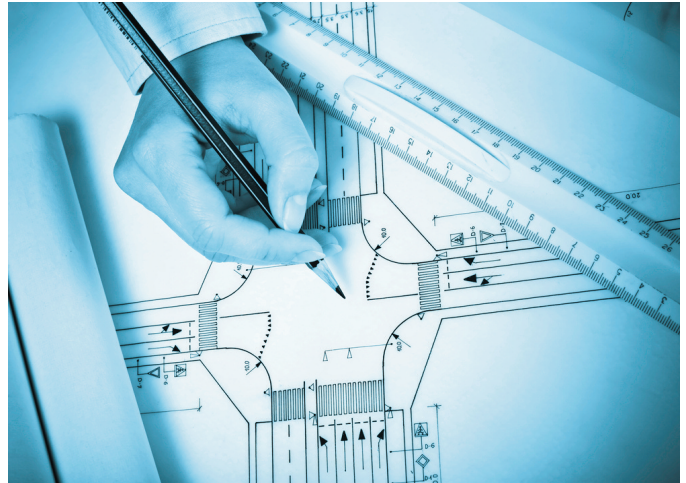
If these requirements are met, and the township makes the request for competitive bidding, road agencies must perform the following:

- ▶ Advertise projects that meet the above criteria;
- ▶ Provide qualified “responsive and reasonably best value bidders” to the township within 15 days;
- ▶ Provide all qualified bidders to the township at least 30 days prior to awarding the contract; and

If a township(s) contribute 50% or more of the funding for a project it shall meet the AASHTO Very Low Volume Road standards for roads <400 ADT; road agencies can not exceed these standards unless agreed to by the township(s).

County road agencies should consider the following tasks:

- ▶ Who pays for the additional project administration costs? (i.e. design, project bid proposal, bid advertising, construction administration, project inspection, material testing, contractor claims and contract closeout)
- ▶ Should the project be handled as a permit to work in the right-of-way, where the township retains an engineering firm to perform the administrative material testing and inspection for the project?



PA 182

PA 182 requires Road Agencies to competitively bid all road construction or preservation projects that exceed \$100,000:

- ▶ This requirement applies to federal-aid and MTF funding sources.
- ▶ Signal installations and upgrades are exempt from the bidding requirement.
- ▶ *Maintenance projects are not subject to this bidding requirement.*

Exemptions: A county road agency may be exempt from this law if it determines it is in the county's best interest to not require competitive bidding for a project. A county road agency shall report these findings before work commences in writing to the county board of commissioners.

For more information on **PA 181** and **PA 182**, visit tinyurl.com/BiddingRequirements

For more information contact:

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