

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Senator Les Donovan at 8:30 a.m. on March 19, 2002 in Room 245-N of the Capitol.

All members were present except: Senator Lyon
Senator Pugh

Committee staff present: Hank Avila, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee: Dean Carlson, Secretary, KDOT
George Barbee, KS Consulting Engineers
Bob Totten, KS Contractors Assn.
Don Beuerlain, Koss Construction
Jamie Green, Heavy Constructors of KC
Corky Beachner, Beachner Construction

Others attending: See attached list

SB 646: Re highways; demonstration projects

Chairman Donovan announced that questions would be held until after all conferees had been heard. Dean Carlson, Secretary, Kansas Department of Transportation, testified regarding this legislation which would allow for possible utilization of two demonstration projects per year for the remaining seven year duration of the current Comprehensive Transportation Program (CTP). All they are asking for is a little flexibility to deal with special/limited projects. By doing some design and construction work concurrently rather than sequentially, much time can be saved so there is less traveler inconvenience and increased safety because highway work zones are not in place for such long periods of time. He also pointed out that because, the projects to which KDOT is committed in the CTP do not lend themselves to the Design/Build/Warrant technique, it would not impact the many smaller Kansas contractors (attachment 1).

George Barbee, Kansas Consulting Engineers, last week spoke in opposition to amending the provisions of this bill into a House bill under consideration. They had some questions regarding procedural matters related to such projects. Their questions were answered by Secretary Carlson and they now support **SB 646** (attachment 2).

Bob Totten, Public Affairs Director, Kansas Contractors Association presented the policy of this Association which is the same as the National organization. This policy opposes **SB 646**. They seek to maintain a level playing field and believe this legislation is too broad and could cause serious problems(attachment 3).

Don Beuerlein, President, Koss Construction Company, does not believe there is sufficient information available regarding several aspects of this bill. He is especially concerned about the possible large public financing aspect as well as the lack of limitation on contract amounts (attachment 4). Jamie Green, Assistant Executive Director, Heavy Constructors Association of the Greater Kansas City Area, expressed his organization's opposition to allowing KDOT to do two "demonstration projects" per year. It is their belief that the Design-Build project delivery method would work to the detriment of smaller to medium-sized construction companies (attachment 5). Corky Beachner, Chairman, Kansas Contractors Association's Legislative Committee and President, Beachner Construction Company, St. Paul, Kansas, testified regarding their concerns with this bill, especially the part authorizing the Secretary of Transportation to avoid the competitive bid process on demonstration projects. They also fear the Design-Build Program would eliminate most Kansas contractors. They wish to continue the present system without change (attachment

CONTINUATION SHEET

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6).

Members raised several questions. Secretary Carlson explained that the one "demonstration project" authorized by previous legislation was a "test" project and the Department was well satisfied with the results and that is why they have come back requesting permission to do up to two per year. It was explained that the New Mexico and Utah projects, which had been referred to by the Secretary as well as several of the conferees, were both done as the result of situations unique to those to locations. New Mexico was in a panic situation and because of the political climate they were forced to do something in a hurry. Utah had to act quickly because of the Olympics. Discussed Koch's role in the New Mexico project. Koch is a material supplier. They do not build highways. Kansas simply does not lend itself to projects of that magnitude. New Mexico used Garvee bonds to pay for their project, and Secretary Carlson does not advocate this method of financing. Kansas contractors do go out of state to do jobs and out of state contractors come in to do jobs, especially in the border areas.

Chairman Donovan closed the hearing on **SB 646**. He instructed both sides to meet and engage in some meaningful discussion in order to work out a compromise with which both sides can live. Whether this can or cannot be done, the Committee will work the bill Thursday. There is no discernible fiscal note attached to this bill.

Approval of minutes

Senator Salmans moved to approve minutes of the March 13 and 14, 2002 meeting.
Senator Gooch seconded the motion. Motion carried.

Meeting adjourned at 9:30 a.m.

The next meeting is scheduled for Thursday, March 21, 2002