

## SPONSOR STATEMENT FOR SB40

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*"An Act relating to the construction of highways by the Department of Transportation and Public Facilities."*

In order to maintain transparency and to make certain public funds are spent efficiently, statute requires construction and maintenance contracts be awarded on the basis of a competitive bid. In the case of small projects or repairs, however, the law allows the state, for the purpose of efficiency, to fund a project in-house through what's termed a "force account."

The purpose of [SB40](#) is to reserve the competitive bid process for projects costing more than \$250,000, while continuing to allow the use of force accounts to fund smaller, local projects at the discretion of the (most often) Department of Transportation (DOT-PF).

To date, force account spending by DOT-PF has been consistently used to fund projects costing considerably more than \$250,000. In each case, the check-and-balance protection of a competitive bid has been lost. This can result in the state paying more for a project, while wages paid on an in-house project may be substantially lower than those paid by a private-sector contractor.

Specifically, contractors generally pay "Davis-Bacon" wages, while force account workers are often lower-paid temporary state employees.

Contractors employ skilled managers and maintain an inventory of specialized equipment. Therefore, construction work done in the public sector requires similar staffing as well as inventory, thus resulting in increased cost to the ratepayer.

SB40 also allows the use of force accounts on projects above the \$250,000 threshold when there is no responsive bidder.