

1 A bill to be entitled
2 An act relating to transportation; amending s. 206.46,
3 F.S.; limiting the amount of certain revenues in the
4 State Transportation Trust Fund which the Department
5 of Transportation may annually commit to public
6 transit projects; providing exceptions; amending s.
7 334.30, F.S.; authorizing the department to enter into
8 comprehensive agreements with private entities for
9 certain purposes; revising provisions relating to a
10 traffic and revenue study provided by a private
11 entity; revising the time period during which the
12 department will accept additional proposals after
13 receiving an unsolicited proposal, based on project
14 complexity; authorizing the department to enter into
15 an interim agreement with a private entity before or
16 in connection with negotiating a comprehensive
17 agreement; providing requirements; authorizing the
18 department secretary to authorize an agreement term of
19 up to 75 years for certain projects; amending s.
20 337.11, F.S.; requiring the department to pay interest
21 to a contractor under certain circumstances; requiring
22 a motor vehicle used for specified work on a
23 department project to be registered in compliance with
24 certain provisions; amending s. 337.18, F.S.;
25 authorizing the department to determine whether to

26 | reduce bonding requirements; revising the time periods
 27 | within which certain actions must be instituted by a
 28 | claimant; amending s. 337.195, F.S.; providing
 29 | definitions; providing a presumption that if a death,
 30 | injury, or damage results from a motor vehicle crash
 31 | within a construction zone in which the driver of a
 32 | vehicle was under the influence of certain marijuana,
 33 | the driver's operation of such vehicle was the
 34 | proximate cause of his or her own death, injury, or
 35 | damage; revising conditions under which a contractor
 36 | is immune from liability; conforming provisions to
 37 | changes made by the act; creating s. 339.28201, F.S.;
 38 | creating a Local Agency Program within the department
 39 | for certain funding purposes; providing for
 40 | prioritization and reimbursement; providing agency
 41 | eligibility requirements; requiring oversight by the
 42 | department; providing contract requirements; providing
 43 | an effective date.

44 |
 45 | Be It Enacted by the Legislature of the State of Florida:

46 |
 47 | Section 1. Subsection (6) is added to section 206.46,
 48 | Florida Statutes, to read:

49 | 206.46 State Transportation Trust Fund.—

50 | (6) The department may not annually commit to public

51 transit projects under chapter 341 more than 20 percent of the
52 revenues derived from state fuel taxes and motor vehicle
53 license-related fees deposited into the State Transportation
54 Trust Fund, except:

55 (a) Funds used for federal matching.

56 (b) Projects included in an M.P.O.'s transportation
57 improvement program adopted pursuant to s. 339.175(8) and
58 approved by a supermajority vote of the board of county
59 commissioners of the county in which the project is located.

60 Section 2. Subsections (8) through (13) of section 334.30,
61 Florida Statutes, are renumbered as subsections (9) through
62 (14), respectively, subsection (1), paragraphs (e) and (f) of
63 subsection (2), paragraph (a) of subsection (6), and present
64 subsections (8), (10), and (11) are amended, and a new
65 subsection (8) is added to that section, to read:

66 334.30 Public-private transportation facilities.—The
67 Legislature finds and declares that there is a public need for
68 the rapid construction of safe and efficient transportation
69 facilities for the purpose of traveling within the state, and
70 that it is in the public's interest to provide for the
71 construction of additional safe, convenient, and economical
72 transportation facilities.

73 (1) The department may receive or solicit proposals and,
74 with legislative approval as evidenced by approval of the
75 project in the department's work program, enter into

76 comprehensive agreements with private entities, or consortia
77 thereof, for the building, operation, ownership, or financing of
78 transportation facilities. The department may advance projects
79 programmed in the adopted 5-year work program or projects
80 increasing transportation capacity and greater than \$500 million
81 in the 10-year Strategic Intermodal Plan using funds provided by
82 public-private partnerships or private entities to be reimbursed
83 from department funds for the project as programmed in the
84 adopted work program. The department shall by rule establish an
85 application fee for the submission of unsolicited proposals
86 under this section. The fee must be sufficient to pay the costs
87 of evaluating the proposals. The department may engage the
88 services of private consultants to assist in the evaluation.
89 Before approval, the department must determine that the proposed
90 project:

91 (a) Is in the public's best interest;

92 (b) Would not require state funds to be used unless the
93 project is on the State Highway System;

94 (c) Would have adequate safeguards in place to ensure that
95 no additional costs or service disruptions would be realized by
96 the traveling public and residents of the state in the event of
97 default or cancellation of the agreement by the department;

98 (d) Would have adequate safeguards in place to ensure that
99 the department or the private entity has the opportunity to add
100 capacity to the proposed project and other transportation

101 facilities serving similar origins and destinations; and
102 (e) Would be owned by the department upon completion or
103 termination of the agreement.

104
105 The department shall ensure that all reasonable costs to the
106 state, related to transportation facilities that are not part of
107 the State Highway System, are borne by the private entity. The
108 department shall also ensure that all reasonable costs to the
109 state and substantially affected local governments and
110 utilities, related to the private transportation facility, are
111 borne by the private entity for transportation facilities that
112 are owned by private entities. For projects on the State Highway
113 System, the department may use state resources to participate in
114 funding and financing the project as provided for under the
115 department's enabling legislation. Because the Legislature
116 recognizes that private entities or consortia thereof would
117 perform a governmental or public purpose or function when they
118 enter into agreements with the department to design, build,
119 operate, own, or finance transportation facilities, the
120 transportation facilities, including leasehold interests
121 thereof, are exempt from ad valorem taxes as provided in chapter
122 196 to the extent property is owned by the state or other
123 government entity, and from intangible taxes as provided in
124 chapter 199 and special assessments of the state, any city,
125 town, county, special district, political subdivision of the

126 state, or any other governmental entity. The private entities or
127 consortia thereof are exempt from tax imposed by chapter 201 on
128 all documents or obligations to pay money which arise out of the
129 agreements to design, build, operate, own, lease, or finance
130 transportation facilities. Any private entities or consortia
131 thereof must pay any applicable corporate taxes as provided in
132 chapter 220, and reemployment assistance taxes as provided in
133 chapter 443, and sales and use tax as provided in chapter 212
134 shall be applicable. The private entities or consortia thereof
135 must also register and collect the tax imposed by chapter 212 on
136 all their direct sales and leases that are subject to tax under
137 chapter 212. The agreement between the private entity or
138 consortia thereof and the department establishing a
139 transportation facility under this chapter constitutes
140 documentation sufficient to claim any exemption under this
141 section.

142 (2) Agreements entered into pursuant to this section may
143 authorize the private entity to impose tolls or fares for the
144 use of the facility. The following provisions shall apply to
145 such agreements:

146 (e) The department shall include provisions in the
147 comprehensive ~~public-private partnership~~ agreement that ensure a
148 negotiated portion of revenues from tolled or fare generating
149 projects is ~~are~~ returned to the department over the life of the
150 public-private partnership agreement. In the case of a lease of

151 an existing toll facility, the department shall receive a
152 portion of funds upon closing on the agreements and shall also
153 include provisions in the agreement to receive payment of a
154 portion of excess revenues over the life of the public-private
155 partnership.

156 (f) The private entity shall provide an independent
157 ~~investment grade~~ traffic and revenue study prepared by a an
158 ~~internationally recognized~~ traffic and revenue expert as part of
159 the private entity proposal. The private entity shall provide a
160 traffic and revenue study that is accepted by the national bond
161 rating agencies for the financing that supports the
162 comprehensive agreement at financial close for the public-
163 private partnership project. The private entity shall also
164 provide a finance plan that identifies the project cost,
165 revenues by source, financing, major assumptions, internal rate
166 of return on private investments, and whether any government
167 funds are assumed to deliver a cost-feasible project, and a
168 total cash flow analysis beginning with implementation of the
169 project and extending for the term of the comprehensive
170 agreement.

171 (6) The procurement of public-private partnerships by the
172 department shall follow the provisions of this section. Sections
173 337.025, 337.11, 337.14, 337.141, 337.145, 337.175, 337.18,
174 337.185, 337.19, 337.221, and 337.251 shall not apply to
175 procurements under this section unless a provision is included

176 in the procurement documents. The department shall ensure that
177 generally accepted business practices for exemptions provided by
178 this subsection are part of the procurement process or are
179 included in the public-private partnership agreement.

180 (a) The department may request proposals from private
181 entities for public-private transportation projects or, if the
182 department receives an unsolicited proposal, the department
183 shall publish a notice in the Florida Administrative Register
184 and a newspaper of general circulation at least once a week for
185 2 weeks stating that the department has received the proposal
186 and will accept, between 30 and ~~for~~ 120 days after the initial
187 date of publication as determined by the department based on the
188 complexity of the project, other proposals for the same project
189 purpose. A copy of the notice must be mailed to each local
190 government in the affected area.

191 (8) Before or in connection with the negotiation of a
192 comprehensive agreement, the department may enter into an
193 interim agreement with the private entity proposing the
194 development or operation of the qualifying project. An interim
195 agreement does not obligate the department to enter into a
196 comprehensive agreement. The interim agreement is discretionary
197 with the parties and is not required on a qualifying project for
198 which the parties may proceed directly to a comprehensive
199 agreement without the need for an interim agreement. An interim
200 agreement must be limited to provisions that:

201 (a) Authorize the private entity to commence activities
 202 for which it may be compensated related to the proposed
 203 qualifying project, including, but not limited to, project
 204 planning and development, design, environmental analysis and
 205 mitigation, survey, other activities concerning any part of the
 206 proposed qualifying project, and ascertaining the availability
 207 of financing for the proposed facility or facilities.

208 (b) Establish the process and timing of the negotiation of
 209 the comprehensive agreement.

210 (c) Contain such other provisions that the department and
 211 the private entity deem appropriate related to an aspect of the
 212 development or operation of a qualifying project.

213 (9)-(8) The department may enter into a comprehensive
 214 agreement ~~public-private partnership agreements~~ that includes
 215 ~~include~~ extended terms providing annual payments for performance
 216 based on the availability of service or the facility being open
 217 to traffic or based on the level of traffic using the facility.
 218 In addition to other provisions in this section, the following
 219 provisions shall apply:

220 (a) The annual payments under such comprehensive agreement
 221 shall be included in the department's tentative work program
 222 developed under s. 339.135 and the long-range transportation
 223 plan for the applicable metropolitan planning organization
 224 developed under s. 339.175. The department shall ensure that
 225 annual payments on multiyear comprehensive ~~public-private~~

226 ~~partnership~~ agreements are prioritized ahead of new capacity
 227 projects in the development and updating of the tentative work
 228 program.

229 (b) The annual payments are subject to annual
 230 appropriation by the Legislature as provided in the General
 231 Appropriations Act in support of the first year of the tentative
 232 work program.

233 (11) ~~(10)~~ Before ~~Prior to~~ entering into such comprehensive
 234 agreement where funds are committed from the State
 235 Transportation Trust Fund, the project must be prioritized as
 236 follows:

237 (a) The department, in coordination with the local
 238 metropolitan planning organization, shall prioritize projects
 239 included in the Strategic Intermodal System 10-year and long-
 240 range cost-feasible plans.

241 (b) The department, in coordination with the local
 242 metropolitan planning organization or local government where
 243 there is no metropolitan planning organization, shall prioritize
 244 projects, for facilities not on the Strategic Intermodal System,
 245 included in the metropolitan planning organization cost-feasible
 246 transportation improvement plan and long-range transportation
 247 plan.

248 (12) ~~(11)~~ Comprehensive ~~Public-private partnership~~
 249 agreements under this section shall be limited to a term not
 250 exceeding 50 years. Upon making written findings that a a

251 comprehensive ~~an~~ agreement under this section requires a term in
252 excess of 50 years, the secretary of the department may
253 authorize a term of up to 75 years for projects that are
254 partially or completely funded from project user fees.

255 Comprehensive agreements under this section shall not have a
256 term in excess of 75 years unless specifically approved by the
257 Legislature. The department shall identify each new project
258 under this section with a term exceeding 75 years in the
259 transmittal letter that accompanies the submittal of the
260 tentative work program to the Governor and the Legislature in
261 accordance with s. 339.135.

262 Section 3. Subsections (12) and (13) of section 337.11,
263 Florida Statutes, are amended to read:

264 337.11 Contracting authority of department; bids;
265 emergency repairs, supplemental agreements, and change orders;
266 combined design and construction contracts; progress payments;
267 records; requirements of vehicle registration.—

268 (12) (a) Notwithstanding any other provision of law to the
269 contrary, the department has unilateral authority to pay the
270 contractor the sums the department determines to be due to the
271 contractor for work performed on a project. This unilateral
272 authority to pay by the department does not preclude or limit
273 the rights of the department and the contractor to negotiate and
274 agree to the amounts to be paid to the contractor. By acceptance
275 of any such unilateral payment, the contractor does not waive

276 any rights the contractor may have against the department for
 277 payment of any additional sums the contractor claims are due for
 278 the work.

279 (b) If it is determined that added work on the project is
 280 necessary, or if work on the project is delayed, the department
 281 shall pay to the contractor interest at the rate set forth in s.
 282 55.03 on any unpaid amounts that remain 75 days after the
 283 completion of the added work or the elimination of the delay.

284 (13) A motor vehicle used ~~Each contract let by the~~
 285 ~~department~~ for the performance of road or bridge construction or
 286 maintenance work on a department project must ~~shall require all~~
 287 ~~motor vehicles that the contractor operates or causes to be~~
 288 ~~operated in this state to~~ be registered in compliance with
 289 chapter 320.

290 Section 4. Paragraphs (a) and (d) of subsection (1) of
 291 section 337.18, Florida Statutes, are amended to read:

292 337.18 Surety bonds for construction or maintenance
 293 contracts; requirement with respect to contract award; bond
 294 requirements; defaults; damage assessments.—

295 (1)(a) A surety bond shall be required of the successful
 296 bidder in an amount equal to the awarded contract price.
 297 However, the department may choose, in its discretion and
 298 applicable only to multiyear maintenance contracts, to allow for
 299 incremental annual contract bonds that cumulatively total the
 300 full, awarded, multiyear contract price.

301 1. The department may waive the requirement for all or a
302 portion of a surety bond if:

303 a. The contract price is \$250,000 or less and the
304 department determines that the project is of a noncritical
305 nature and that nonperformance will not endanger public health,
306 safety, or property;

307 b. The prime contractor is a qualified nonprofit agency
308 for the blind or for the other severely handicapped under s.
309 413.036(2); or

310 c. The prime contractor is using a subcontractor that is a
311 qualified nonprofit agency for the blind or for the other
312 severely handicapped under s. 413.036(2). However, the
313 department may not waive more than the amount of the
314 subcontract.

315 2. If the department ~~Secretary of Transportation or the~~
316 ~~secretary's designee~~ determines that it is in the best interests
317 of the department to reduce the bonding requirement for a
318 project and that to do so will not endanger public health,
319 safety, or property, the department may waive the requirement of
320 a surety bond in an amount equal to the awarded contract price
321 for a project having a contract price of \$250 million or more
322 and, in its place, may set a surety bond amount that is a
323 portion of the total contract price and provide an alternate
324 means of security for the balance of the contract amount that is
325 not covered by the surety bond or provide for incremental surety

326 bonding and provide an alternate means of security for the
327 balance of the contract amount that is not covered by the surety
328 bond. Such alternative means of security may include letters of
329 credit, United States bonds and notes, parent company
330 guarantees, and cash collateral. The department may require
331 alternate means of security if a surety bond is waived. The
332 surety on such bond shall be a surety company authorized to do
333 business in the state. All bonds shall be payable to the
334 department and conditioned for the prompt, faithful, and
335 efficient performance of the contract according to plans and
336 specifications and within the time period specified, and for the
337 prompt payment of all persons defined in s. 713.01 furnishing
338 labor, material, equipment, and supplies for work provided in
339 the contract; however, whenever an improvement, demolition, or
340 removal contract price is \$25,000 or less, the security may, in
341 the discretion of the bidder, be in the form of a cashier's
342 check, bank money order of any state or national bank, certified
343 check, or postal money order. The department shall adopt rules
344 to implement this subsection. Such rules shall include
345 provisions under which the department shall refuse to accept
346 bonds on contracts when a surety wrongfully fails or refuses to
347 settle or provide a defense for claims or actions arising under
348 a contract for which the surety previously furnished a bond.

349 (d) An action, except an action for recovery of retainage,
350 must be instituted by a claimant, regardless of whether in

351 privity with the contractor ~~or not~~, against the contractor or
352 the surety on the payment bond or the payment provisions of a
353 combined payment and performance bond within 365 days after the
354 performance of the labor or completion of delivery of the
355 materials or supplies. An action for recovery of retainage must
356 be instituted against the contractor or the surety within 365
357 days after final acceptance of the contract work by the
358 department. A claimant may not waive in advance his or her right
359 to bring an action under the bond against the surety. In any
360 action brought to enforce a claim against a payment bond under
361 this section, the prevailing party is entitled to recover a
362 reasonable fee for the services of his or her attorney for trial
363 and appeal or for arbitration, in an amount to be determined by
364 the court, which fee must be taxed as part of the prevailing
365 party's costs, as allowed in equitable actions.

366 Section 5. Section 337.195, Florida Statutes, is amended
367 to read:

368 337.195 Limits on liability.—

369 (1) As used in this section, the term:

370 (a) "Contract documents" means those contract documents
371 defined in Section 1-3 of the department's Standard
372 Specifications for Road and Bridge Construction which are
373 applicable under the contract between the department and the
374 contractor.

375 (b) "Contractor" means a person at any contractual tier,

376 including any member of a design-build team, who, pursuant to s.
 377 337.11, constructs, maintains, or repairs a highway, road,
 378 street, bridge, or other transportation facility for the
 379 department or in connection with a department project.

380 (c) "Design engineer" means a person, including the design
 381 consultant of a design-build team, who contracts at any tier to
 382 prepare or provide engineering plans, including traffic control
 383 plans, for the construction or repair of a highway, road,
 384 street, bridge, or other department transportation facility.

385 (d) "Traffic control plans" means maintenance of traffic
 386 plans designed by a professional engineer, or otherwise in
 387 accordance with the department's maintenance of traffic
 388 standards, and approved by the department.

389 (2)~~(1)~~ In a civil action for the death of or injury to a
 390 person, or for damage to property, against the department ~~of~~
 391 ~~Transportation~~ or its agents, consultants, or contractors for
 392 work performed on a highway, road, street, bridge, or other
 393 transportation facility when the death, injury, or damage
 394 resulted from a motor vehicle crash within a construction zone
 395 in which the driver of one of the vehicles was under the
 396 influence of alcoholic beverages as set forth in s. 316.193,
 397 under the influence of any chemical substance as set forth in s.
 398 877.111, under the influence of marijuana authorized by s.
 399 381.986, excluding low-THC cannabis, or illegally under the
 400 influence of any substance controlled under chapter 893 to the

401 extent that her or his normal faculties were impaired or that
 402 she or he operated a vehicle recklessly as defined in s.
 403 316.192, it is presumed that the driver's operation of the
 404 vehicle was the sole proximate cause of her or his own death,
 405 injury, or damage. This presumption can be overcome if the gross
 406 negligence or intentional misconduct of the department of
 407 Transportation, or of its agents, consultants, or contractors,
 408 was a proximate cause of the driver's death, injury, or damage.

409 (3)(a)(2) A contractor is immune from liability for who
 410 constructs, maintains, or repairs a highway, road, street,
 411 bridge, or other transportation facility for the Department of
 412 Transportation is not liable to a claimant for personal injury,
 413 property damage, or death arising from the performance of the
 414 construction, maintenance, or repair if, at the time of the
 415 personal injury, property damage, or death, the contractor was
 416 in compliance with contract documents material to the condition
 417 that was the proximate cause of the personal injury, property
 418 damage, or death arising from:

419 1. The performance of the construction, maintenance, or
 420 repair of the transportation facility if, at the time the
 421 personal injury, property damage, or death occurred, the
 422 contractor was in compliance with the traffic control plan
 423 material to the personal injury, property damage, or death.

424 2. Acts or omissions of a third party who furnishes, or
 425 contracts at any contractual tier to furnish, services or

426 materials to the transportation facility, including a
 427 subcontractor; sub-subcontractor; laborer; materialman; owner,
 428 lessor, or operator of a motor vehicle, trailer, semitrailer,
 429 truck, heavy truck, truck tractor, or commercial motor vehicle
 430 as those terms are defined in s. 320.01; or person who performs
 431 services as an architect, a landscape architect, an interior
 432 designer, an engineer, or a surveyor and mapper.

433 3. Acts or omissions of a third party who trespasses
 434 within the limits of the transportation facility or otherwise is
 435 not authorized to enter the area of the transportation facility
 436 in which the personal injury, property damage, or death was
 437 caused.

438 4. Acts or omissions of a third party who damages,
 439 modifies, moves, or removes a traffic control device, warning
 440 device, barrier, or any other facility or device used for the
 441 public's safety and convenience.

442 (b)-(a) The limitations ~~limitation~~ on liability contained
 443 in this subsection do ~~does~~ not apply when the proximate cause of
 444 the personal injury, property damage, or death is a latent
 445 condition, defect, error, or omission that was created by the
 446 contractor and not a defect, error, or omission in the traffic
 447 control plans ~~contract documents~~; or when the proximate cause of
 448 the personal injury, property damage, or death was the
 449 contractor's failure to ~~perform, update, or~~ comply with the
 450 ~~maintenance of the traffic~~ control plans ~~safety plan~~ as required

451 by the contract documents.

452 ~~(c)(b)~~ Nothing in This subsection does not relieve ~~shall~~
 453 ~~be interpreted or construed as relieving~~ the contractor of any
 454 obligation to provide the department ~~of Transportation~~ with
 455 written notice of any apparent error or omission in the contract
 456 documents.

457 ~~(d)(e)~~ Nothing in This subsection does not ~~shall be~~
 458 ~~interpreted or construed to~~ alter or affect any claim of the
 459 department ~~of Transportation~~ against such contractor.

460 ~~(e)(d)~~ This subsection does not affect any claim of any
 461 entity against such contractor, which claim is associated with
 462 such entity's facilities on or in department ~~of Transportation~~
 463 roads or other transportation facilities.

464 ~~(4)(3)~~ In all cases involving personal injury, property
 465 damage, or death, a design engineer ~~person or entity who~~
 466 ~~contracts to prepare or provide engineering plans for the~~
 467 ~~construction or repair of a highway, road, street, bridge, or~~
 468 ~~other transportation facility for the Department of~~
 469 ~~Transportation~~ shall be presumed to have prepared such
 470 engineering plans using the degree of care and skill ordinarily
 471 exercised by other engineers in the field under similar
 472 conditions and in similar localities and with due regard for
 473 acceptable engineering standards and principles if the
 474 engineering plans conformed to the department's ~~Department of~~
 475 ~~Transportation's~~ design standards material to the condition or

476 defect that was the proximate cause of the personal injury,
477 property damage, or death. This presumption can be overcome only
478 upon a showing of the design engineer's ~~person's or entity's~~
479 gross negligence in the preparation of the engineering plans and
480 does ~~shall~~ not be interpreted or construed to alter or affect
481 any claim of the department ~~of Transportation~~ against such
482 design engineer ~~person or entity~~. The limitation on liability
483 contained in this subsection does ~~shall~~ not apply to any hidden
484 or undiscoverable condition created by the design engineer. This
485 subsection does not affect any claim of any entity against such
486 design engineer ~~or engineering firm~~, which claim is associated
487 with such entity's facilities on or in department ~~of~~
488 ~~Transportation~~ roads or other transportation facilities.

489 ~~(4) In any civil action for death, injury, or damages~~
490 ~~against the Department of Transportation or its agents,~~
491 ~~consultants, engineers, or contractors for work performed on a~~
492 ~~highway, road, street, bridge, or other transportation facility,~~
493 ~~if the department, its agents, consultants, engineers, or~~
494 ~~contractors are immune from liability pursuant to this section~~
495 ~~or are not parties to the litigation, they may not be named on~~
496 ~~the jury verdict form or be found to be at fault or responsible~~
497 ~~for the injury, death, or damage that gave rise to the damages.~~

498 Section 6. Section 339.28201, Florida Statutes, is created
499 to read:

500 339.28201 Local Agency Program.-

501 (1) There is created within the Department of
502 Transportation a Local Agency Program for the purpose of
503 providing funds to subrecipient counties, cities, and towns for
504 developing, designing, and constructing transportation
505 facilities.

506 (2) Local Agency Program agencies shall prioritize and
507 fund local projects in accordance with subsection (1). Such
508 agencies shall then be eligible for reimbursement by the
509 Federal-Aid Highway Program for the services provided to the
510 traveling public through compliance with applicable federal
511 statutes, rules, and regulations.

512 (3) Federal-Aid Highway Program funds are only available
513 to local agencies that are certified by the department on their
514 qualifications, ability to comply with federal requirements, and
515 ability to undertake and satisfactorily complete the work.

516 (4) The department is responsible for oversight of funded
517 projects on behalf of the Federal Highway Administration.

518 (5) At a minimum, such local agencies shall include the
519 department's Division I General Requirements and Covenants for
520 local agencies in their contracts and include a contingency
521 amount in the project cost to account for unforeseen conditions.

522 Section 7. This act shall take effect July 1, 2024.