

MINUTES

MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON HIGHWAYS & TRANSPORTATION

Call to Order: By CHAIRMAN LARRY TVEIT, on March 16, 1995, at 3:17 p.m. in Room 410.

ROLL CALL

Members Present:

Sen. Larry J. Tveit, Chairman (R)
Sen. Charles "Chuck" Swysgood, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Ric Holden (R)
Sen. Reiny Jabs (R)
Sen. Arnie A. Mohl (R)
Sen. Greg Jergeson (D)
Sen. Linda J. Nelson (D)
Sen. Barry "Spook" Stang (D)

Members Excused: None

Members Absent: None

Staff Present: Valencia Lane, Legislative Council
Carla Turk, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 246 HJR 23
Executive Action: HB 246 HJR 23

HEARING ON HB 246

Opening Statement by Sponsor:

REPRESENTATIVE JOE QUILICI, HD 36, Butte, said that all the Bill did was raise the amount from \$10,000 to \$50,000, before the Montana Highway Commission had to put out for competitive bids. He reported that this dollar limit had not been raised for quite a few years and in that time material costs and other job related costs had increased a great deal. He stated that when the Highway Commission let bids it sometimes cost as much as 15 to 20% of the bid, to get that particular bid out for letting. He contended that this money should be used for the projects instead of for administrative costs. **Representative Quilici** stated that

there was representation from the Montana Highway Department to explain the Bill.

Proponents' Testimony:

Gary Gilmore, Operations Engineer for the Montana Department of Transportation, reaffirmed that SB 246 brought the lower limit of what had to be competitively advertised as going to contract more up to date and in line with today's costs. He stated that currently the figure stood at \$10,000 and their estimates were presently costing approximately \$7,500 to prepare, advertise and award a bid. **Mr. Gilmore** said they felt \$50,000 was in line and that they were spending a lot on administrative costs while preparing and awarding these contracts, while those monies could be used elsewhere.

Gary Gilmore stated that most of these contracts were very small and most often very specialized. He stated that with the nature of these contracts there would not be a lot of competition in bidding anyway. He described the contracts as traffic signal types of things where the Department may not have the expertise, but there are contractors available. He contended that sometimes there may be small safety projects where only a few signs needed to be put up, and that could often be accomplished through local governments who were the maintaining agencies.

Mr. Gilmore contended that the Bill was a cost cutting measure, but identified its' second function as allowing the Highway Commission to delegate the authority to award the contract, to the Montana Department of Transportation. He identified that as number (4). He continued that approval was basically acquired prior to any awarding or bidding, in an effort to save the Commission from having to meet again or set up a conference call for the sole purpose of awarding the contract. He identified this portion as a further cost reduction in association with awarding contracts. He conveyed that they encouraged the Committee's concurrence in the Bill.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

SENATOR MACK COLE asked how many small bids there were now and asked if they were mainly done in a verbal manner or some other procedure? **Gary Gilmore** stated that they generally contacted someone and asked for a cost quote. He continued that if they were dealing with the city or county the cost would already be known and the Department could tell those entities that they would pay a specific amount per sign or whatever.

SENATOR COLE asked if they usually tried to telephone, or utilize some other form of contact with two or three people rather than one source of information? **Mr. Gilmore** answered that if the Department knew of more than one source, they would make some kind of effort to contact them all to obtain the best price. He said that generally when they used this sort of contact the reason was that there weren't many sources and he didn't anticipate very much competition.

Closing by Sponsor:

REPRESENTATIVE QUILICI asked the Committee to read the last sentence of the Bill where it stated that the Commission "may" delegate to the Department. He maintained that if this wasn't found cost effective, he did not feel that the Commission would delegate to the Department. He thanked the Committee for the Hearing and stated that he hoped they would see fit to concur in the Bill.

CHAIRMAN TVEIT declare the hearing on HB 246 closed and opened the hearing on HJR 23.

SENATOR STANG stated that he would be available to carry HB 246 on the Senate floor.

HEARING ON HJR 23

Opening Statement by Sponsor:

REPRESENTATIVE BOB CLARK, from HD 8, Ryegate, announced that HJR 23 had actually begun just before the Session ended two years ago. He explained that Mr. Loren Elwood had approached him and asked if it was possible to propose getting this museum endorsed. He stated that voluntary work had already begun on the museum, toward that end. He stated that the approach had come too late last session to make a proposal and the request then was made for a proposal this Session.

REPRESENTATIVE CLARK admitted that he had forgotten about the approach until Mr. Elwood had again approached him in January and he had agreed to proceed. He reported having had the Resolution drawn up for the museum and presenting it to the House. He described the Resolution as having passed the House Highways Committee with an amendment. He attested that the Committee had not liked the word "the" Montana Railroad Museum and Research Museum and had chosen "A" as a better word. He defined the Committee's reason for word choice as one which would allow another party the utilization of the proposal. He conceded that he guessed the amendment was OK and he did not have a problem with it.

REPRESENTATIVE CLARK said he was appearing before the Committee asking their concurrence as this was strictly private donation with no public funds involved. He accounted that everything that had been done so far had been voluntary. He claimed that anyone traveling through Harlowton, could see the old electric railroad locomotive located at the intersection of Highway 12 and the main street. He explained that the locomotive had been totally repainted by Mr. Elwood and his family and explained this type of work as what this group was doing. He reiterated that the work had all been done on a voluntary basis and the intention of this resolution was only to get endorsement from the Montana Legislature to put this Railroad Museum in Harlowton.

Representative Clark related that it was a sad note that before he had been able to let Mr. Elwood know that this Resolution had passed the House, Mr. Elwood had been killed in a traffic accident. **Representative Clark** held up a letter and identified it as some of the last correspondence Mr. Elwood had written. He affirmed that Mr. Elwood had been the driving force behind this venture and assured the Committee that he was sure the work would continue. He based his comments on the fact that this was a big interest for a former railroad town, especially with the large amount of railroad history remaining in that area. He announced that he hoped the Committee would see fit to pass the proposal.

Proponents' Testimony:

Matthew Cohn, Administrator of the Travel Promotion Division, for the Department of Commerce, said their Department had been working with many rural communities in Montana to help develop different types of attractions which would compel people to stop along the way. He identified their intention as trying to keep people in Montana a little longer. He explained that the added attraction had a major economic impact, especially to the smaller town. **Mr. Cohn** affirmed their support for this type of facility and urged the Committee's support as well.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

SENATOR REINEY JABS asked if a site had been chosen and whether work had begun on that facility? **Representative Clark** replied yes, the old railroad depot still remained and that was going to be the location of the Museum. He reported that refurbishing was in progress.

Closing by Sponsor:

Representative Clark thanked the Committee for the hearing and asked if Senator Cole would carry the Resolution on the Senate floor?

CHAIRMAN TVEIT declared the Hearing on HJR 23 closed and asked the Committee if they wished to take action.

EXECUTIVE ACTION ON HJR 23

Motion/Vote: **SENATOR STANG** Moved HJR 23 Be Concurred In and the Motion Carried.

EXECUTIVE ACTION ON HB 246

Motion: **SENATOR NELSON** Moved HB 246 Be Concurred In.

Discussion:

SENATOR HOLDEN asked if it was known whether the state was getting a good deal with passage of this Bill, or would the Committee be encouraging a 'good buddy system' with the State and some of the contractors? **SENATOR MOHL** stated that the Department would still actually be going after bids, they just wouldn't have to go through the advertisement process which took two or three weeks. He explained that the Department would call all of the contractors within the area, who did this type of work, let the bid and set the contractor to proposing the plans. He contended that it was the same type of bid, probably a better bid than if they had to go through the process of advertising, because the advertisement process usually required a large bid bond and most of the small contractors weren't capable of bonding. He identified this process as preventing one company from knowing they were the only ones bidding and possible higher bids. He related that the cities, counties and other municipalities already were doing this and stated that he thought it a good bill which would save the state money while giving the local area business a chance to compete.

SENATOR HOLDEN asked if this could possibly present a more competitive atmosphere? **SENATOR MOHL** contended that was true for these smaller jobs and contended it was worth a try.

The **Question** was called for.

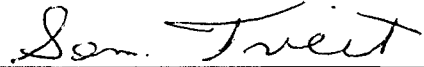
Vote: The Motion Carried.

CHAIRMAN TVEIT asked SENATOR NELSON to report the proxies which SENATOR JERGESON had left with her. SENATOR NELSON stated that he had left a YES vote on both. The proxy votes made both COMMITTEE VOTES UNANIMOUS.

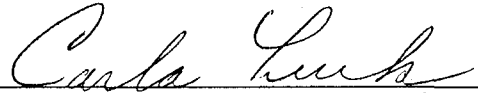
SENATOR STANG was assigned to carry HB 246 on the Senate floor.

ADJOURNMENT

Adjournment: The meeting was adjourned at 3:33 p.m.



SENATOR LARRY TVEIT, Chairman



CARLA TURK, Secretary

LJT/cmt

HIGHWAYS AND TRANSPORTATION COMMITTEE

ROLL CALL

DATE _____

3/6/95

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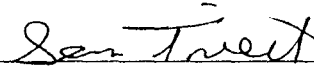
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SENATE STANDING COMMITTEE REPORT

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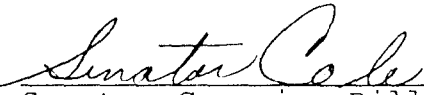
MR. PRESIDENT:

We, your committee on Highways and Transportation having had under consideration HJR 23 (third reading copy -- blue), respectfully report that HJR 23 be concurred in.

Signed: 
Senator Larry Tveit, Chair


Amd. Coord.

SP Sec. of Senate


Senator Carrying Bill

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SENATE STANDING COMMITTEE REPORT


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Signed: Sen. Tveit
Senator Larry Tveit, Chair

 Amd. Coord.

 Sec. of Senate

Senator Stang
Senator Carrying Bill

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DATE 3-16

SENATE COMMITTEE ON Highway

BILLS BEING HEARD TODAY: H.B. 246 HJR 23

< ■ > PLEASE PRINT < ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
GARY GILMORE	MDT	H.B. 246	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY