

# HOUSE BILL 1325

R2

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By: **Delegate Wood**

Introduced and read first time: February 8, 2013

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Capital Projects – Life Cycle Cost Analysis**

3 FOR the purpose of requiring the Department of Transportation to adopt regulations  
4 to establish a methodology for applying life cycle cost analysis to the evaluation  
5 of certain capital projects; requiring that the life cycle cost analysis methodology  
6 address certain matters; requiring the Department to submit a report of the  
7 results of the life cycle cost analysis for certain projects to the Board of Public  
8 Works for certain purposes; defining a certain term; and generally relating to  
9 life cycle cost analysis of certain capital projects of the Department of  
10 Transportation.

11 BY repealing and reenacting, with amendments,  
12 Article – Transportation  
13 Section 2–103.1(c)  
14 Annotated Code of Maryland  
15 (2008 Replacement Volume and 2012 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – Transportation**

19 2–103.1.

20 (c) (1) The Consolidated Transportation Program shall:

21 (i) Be revised annually; and

22 (ii) Include:

23 1. A list of:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1                   A.    The current State transportation goals;
- 2                   B.    Program priorities; and
- 3                   C.    For projects in the construction phase, the criteria  
4 used to select major capital projects for inclusion in the capital program, as  
5 determined by the Department;
- 6                   2.    A statement of the Department's projected annual  
7 operating costs, set forth separately for the Office of the Secretary and for each modal  
8 administration;
- 9                   3.    Expanded descriptions of major capital projects;
- 10                  4.    A list of major capital projects for the current year,  
11 the budget request year, and the 4 successive planning years;
- 12                  5.    A list of anticipated minor capital projects, including a  
13 specific list of anticipated special projects for the current year and the budget request  
14 year and an estimate of the Program level for each of the 4 successive planning years;
- 15                  6.    A list of major bridge work projects;
- 16                  7.    A summary of the capital and operating programs, as  
17 defined by the Secretary, for the Maryland Transportation Authority;
- 18                  8.    For each listed major capital project, an indication  
19 whether the revenue source anticipated to support that project consists of federal,  
20 special, general, or other funds;
- 21                  9.    The Department's estimates of the levels and sources  
22 of revenues to be used to fund the projects in the Program;
- 23                  10.   A glossary of terms; and
- 24                  11.   A cross-reference table for the information contained  
25 in the various parts of the State Report on Transportation.

26                  (2)   In addition to the items listed in paragraph (1) of this subsection,  
27 the Consolidated Transportation Program shall include:

28                   (i)   A summary of current efforts and future plans, prepared  
29 after consultation with the Director of Bicycle and Pedestrian Access and the Bicycle  
30 and Pedestrian Advisory Committee established under § 2-606 of this title:

1                   1.    To develop and promote bicycle and pedestrian  
2 transportation; and

3                   2.    Working together with local jurisdictions, to  
4 accommodate in a safe and effective manner pedestrians and bicycles within a  
5 reasonable distance for walking and bicycling to rail stops, light rail stops, and subway  
6 stations;

7                   (ii)   A listing of all bicycle and pedestrian transportation projects  
8 expected to use State or federal highway funds; and

9                   (iii)   Reflected under the Office of the Secretary, any  
10 technology-related project to be funded from the account established under § 2-111 of  
11 this subtitle, along with a description and projected cost of each.

12                   (3)    Annually, the Consolidated Transportation Program shall include  
13 a report that:

14                   (i)    Identifies each major capital project for which the budget  
15 bill or a supplemental budget amendment first requests funds for the project  
16 development phase or for the construction phase;

17                   (ii)   With respect to each major capital project for which funds  
18 are requested in the budget request year, states:

19                   1.    The amount of the funds requested; and

20                   2.    The total estimated cost of the project;

21                   (iii)   Identifies significant changes in the cost, scope, design, or  
22 scheduling of major capital projects for each completed fiscal year;

23                   (iv)   When there is a significant change in cost, states the  
24 amount by which the expenditures that have been authorized exceed the original  
25 project estimate;

26                   (v)    When there is a significant change, states:

27                   1.    The amount by which costs exceed projected costs  
28 during each completed fiscal year; and

29                   2.    The total amount that has been expended for a major  
30 capital project;

31                   (vi)   Provides a purpose and need summary statement that  
32 includes:

1                   1.     A general description and summary that describes  
2 why the project is necessary and satisfies State goals, including current State  
3 transportation goals and Climate Action Plan goals required by the Greenhouse Gas  
4 Emissions Reduction Act of 2009 under § 2–1205(b) of the Environment Article;

5                   2.     The location of the project, including a map of the  
6 project limits, project area, or transportation corridor; and

7                   3.     A summary of how the project meets the selection  
8 criteria for inclusion in the capital program; and

9                   (vii) Includes any other information that the Secretary believes  
10 would be useful to the members of the General Assembly, the general public, or other  
11 recipients of the Consolidated Transportation Program.

12                   (4)     The total operating and capital expenditures for the Department or  
13 for the Office of the Secretary or any modal administration projected in the  
14 Consolidated Transportation Program for the budget request year may not exceed the  
15 budget request for the Department, Office, or modal administration for that year.

16                   (5)     For a major capital project to be considered for inclusion in the  
17 construction program of the Consolidated Transportation Program, a request must be  
18 submitted to the Secretary by the proposing entity along with a purpose and need  
19 summary statement justifying the project that includes:

20                   (i)     The location of the project, including a map of the project  
21 limits, project area, or transportation corridor;

22                   (ii)    The need for the project; and

23                   (iii)  A discussion of how the project:

24                   1.     Addresses State transportation goals; and

25                   2.     Supports local government land use plans and goals.

26                   (6)     (i)     The Department shall evaluate requests for major capital  
27 projects based on the State’s goals and, as appropriate, criteria as determined by the  
28 information submitted by the proposing entity and the availability of funding.

29                   (ii)    As part of the evaluation under this paragraph, the  
30 Department shall acknowledge the difference between urban and rural transportation  
31 needs.

32                   **(7) (I) IN THIS PARAGRAPH, “LIFE CYCLE COST ANALYSIS”**  
33 **MEANS AN ENGINEERING ECONOMIC ANALYSIS TOOL USED TO EVALUATE**  
34 **ALTERNATIVE INFRASTRUCTURE INVESTMENT OPTIONS THROUGH THE**

1 COMPARISON OF ALL COSTS ASSOCIATED WITH A PROJECT OVER THE EXPECTED  
2 LIFE SPAN OF THE PROJECT, INCLUDING:

3 1. CONSTRUCTION, MAINTENANCE, AND OPERATING  
4 COSTS;

5 2. COSTS TO USERS OF THE PROJECT; AND

6 3. COSTS EXPECTED TO BE INCURRED BY THE  
7 DEPARTMENT AND OTHER GOVERNMENTAL AGENCIES.

8 (II) THE DEPARTMENT SHALL ADOPT REGULATIONS TO  
9 ESTABLISH A METHODOLOGY FOR APPLYING LIFE CYCLE COST ANALYSIS TO  
10 THE DEPARTMENT'S EVALUATION OF EACH CAPITAL PROJECT INVOLVING  
11 EXPENDITURE OF MORE THAN \$5,000,000.

12 (III) THE METHODOLOGY ESTABLISHED UNDER  
13 SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL:

14 1. PROVIDE FOR THE APPLICATION OF LIFE CYCLE  
15 COST ANALYSIS TO ALL ASPECTS OF A PROJECT UNDER CONSIDERATION,  
16 INCLUDING:

17 A. DESIGN ALTERNATIVES FOR THE PROJECT;

18 B. THE TIMING OF ACTIVITIES REQUIRED TO  
19 COMPLETE THE PROJECT; AND

20 C. THE OPERATION AND MAINTENANCE OF THE  
21 COMPLETED PROJECT; AND

22 2. SPECIFY THE CRITERIA TO BE CONSIDERED IN  
23 EVALUATING THE PROJECT AND THE WEIGHT TO BE GIVEN TO EACH CRITERION.

24 (IV) ON COMPLETION OF THE LIFE CYCLE COST ANALYSIS  
25 OF A PROJECT UNDER THIS PARAGRAPH, THE DEPARTMENT SHALL SUBMIT A  
26 COMPREHENSIVE REPORT ON THE RESULTS OF THE ANALYSIS TO THE BOARD  
27 OF PUBLIC WORKS TO ASSIST THE BOARD IN ITS CONSIDERATION OF ANY  
28 CONTRACTS ASSOCIATED WITH THE PROJECT REQUIRING APPROVAL BY THE  
29 BOARD.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 October 1, 2013.