

Senate Bill 270

By: Senators Williams of the 19th, Whitehead, Sr. of the 24th and Kemp of the 46th

AS PASSED SENATE

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 4 of Chapter 2 of Title 32 of the Official Code of Georgia Annotated,
 2 relating to the general contracting powers of the Department of Transportation, so as to
 3 permit the acceptance of solicited as well as unsolicited proposals for public-private
 4 initiatives; to allow for the disclosure of nonproprietary matters from the unsolicited and
 5 solicited proposals in order to encourage competition; to provide for a payment and
 6 performance bond sufficient to protect the interest of the public; to extend the time for
 7 submission of competing proposals; to amend Part 1 of Article 1 of Chapter 10 of Title 32
 8 of the Official Code of Georgia Annotated, relating to the Georgia Highway Authority
 9 generally, to provide for additional definitions and powers of the authority; to provide for
 10 related matters; to provide an effective date; to repeal conflicting laws; and for other
 11 purposes.

12 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

13 **SECTION 1.**

14 Article 4 of Chapter 2 of Title 32 of the Official Code of Georgia Annotated, relating to the
 15 general contracting powers of the Department of Transportation, is amended by striking
 16 Code Section 32-2-78, relating to the definitions governing public-private initiatives, and
 17 inserting in its place the following:

18 "32-2-78.

19 As used in this chapter, the term:

20 (1) 'Department' means the Georgia Department of Transportation.

21 (2) 'Evaluation Committee' means the one or more committees established for the
 22 purpose of evaluating and making a recommendation with respect to unsolicited
 23 proposals, solicited proposals, competing proposals, or comparable proposals as set forth
 24 in this chapter. The Evaluation Committee shall consist of a designee of the Governor,
 25 a designee with a background in finance to be named by the Governor, the commissioner
 26 of the Department of Transportation, the director of the State Road and Tollway
 27 Authority, and the director of the Georgia Regional Transportation Authority. The

1 Evaluation Committee shall employ such experts as needed in the performance of its
 2 duties and charge the expenses incurred by it to such funds made available to the
 3 department for such purposes.

4 (3) 'Letter of intent to negotiate' means the written statement of mutual intent by the
 5 department and the proposer for a public-private initiative to develop and implement a
 6 course of negotiation, within a substantive framework, which if successfully completed
 7 could lead to a binding contractual agreement to accomplish a proposed transportation
 8 system project.

9 ~~(2)~~(4) 'Private contribution' means resources supplied by a private entity to accomplish
 10 all or any part of the work on a transportation system project, including funds, financing,
 11 income, revenue, cost sharing, technology, staff, materials, equipment, expertise, data,
 12 or engineering, construction, or maintenance services, or other items of value. To the
 13 extent that this definition may conflict with any federal law or regulation, for any project
 14 utilizing federal funds, the federal definition shall supersede this ~~subsection~~ paragraph.

15 ~~(3)~~(5) 'Public-private initiative' means a nontraditional arrangement between the
 16 department and one or more private or public entities that provides for:

17 (A) Acceptance of a private contribution to a transportation system project or service
 18 in exchange for a public benefit concerning that project or service;

19 (B) Sharing of resources and the means of providing transportation system projects or
 20 services; or

21 (C) Cooperation in researching, developing, and implementing transportation system
 22 projects or services.

23 (6) 'Solicited proposal' means a written proposal for a public-private initiative that is
 24 submitted by a private entity for the purpose of entering into an agreement with the
 25 department concerning a transportation system project in response to a formal solicitation
 26 or notification issued by the department. A solicited proposal may be made as a
 27 competing proposal or comparable proposal to an unsolicited proposal.

28 ~~(4)~~(7) 'Transportation system' means the state transportation infrastructure and related
 29 systems, including highways, roadways and associated rights of way, bridges, tunnels,
 30 overpasses, ferries, airports, port facilities, vehicle parking facilities, park-and-ride lots,
 31 transit systems, transportation management systems, intelligent vehicle highway systems,
 32 or similar facilities used for the transportation of persons or goods, together with any
 33 other property, buildings, structures, parking areas, appurtenances, and facilities needed
 34 to operate such system, including any major transportation facility as defined by
 35 paragraph (3) of subsection (a) of Code Section 32-2-3, and any other facility for other
 36 transportation purposes as defined by paragraph (18) of Code Section 32-1-3.

1 ~~(5)~~(8) 'Unsolicited proposal' means a written proposal for a public-private initiative that
 2 is submitted by a private entity for the purpose of entering into an agreement with the
 3 department concerning a transportation system project but that is not in response to a
 4 formal solicitation or request issued by the department."

5 SECTION 2.

6 Said article is further amended by striking Code Section 32-2-79, relating to requirements
 7 for unsolicited proposals for public-private initiatives, and inserting in its place the
 8 following:

9 "32-2-79.

10 (a) The department may solicit upon prior notice to the Governor, receive, consider,
 11 evaluate, and accept an unsolicited or solicited proposal for a public-private initiative only
 12 if the proposal complies with all of the requirements of this Code section.

13 (b) The department may consider an unsolicited proposal only if the proposal:

14 (1) Is unique and innovative in comparison with and is not substantially similar to other
 15 transportation system projects already in the state transportation improvement program
 16 within the department or, if it is similar to a project in the state transportation
 17 improvement program, that such project has not been fully funded by the department or
 18 any other entity as of the date the proposal is submitted. Unique or innovative features
 19 which may be considered by the department in evaluating such a proposal may include
 20 but not be limited to unique or innovative financing, construction, design, or other
 21 components as compared with other projects or as otherwise defined by department rules
 22 or regulations;

23 (2) Is independently originated and developed by the proposer; and

24 (3) Includes or is accompanied by:

25 (A) Such detail and information as the department may require by rule or regulation
 26 to assist in its evaluation of the proposal and to determine if the proposal benefits the
 27 public. Such information shall include a list of any proprietary information included
 28 in the proposal which the proposer considers protected trade secrets or other
 29 information exempted from disclosure under Code Section 50-18-70, et seq., except
 30 that the information shall also include an executive summary which at a minimum shall
 31 summarize the proposed transportation facility or facilities, identify their proposed
 32 location, and provide any other additional information that may be required by the rules
 33 and regulations of the department. Such executive summary shall be subject to
 34 immediate disclosure to other interested competing proposers and the public;

35 (B) An and an itemized, auditable listing of the costs associated with the development
 36 of the proposal; and

1 ~~(B)~~(C) Such fees as may be required by the rules and regulations of the department for
2 submission of such proposals.

3 (c) Paragraph (1) of subsection (b) of this Code section shall not be deemed to prohibit the
4 department from encouraging the submission of unsolicited or solicited proposals that are
5 well-developed and consistent with the department's general policy priorities by providing
6 written or oral information to any person regarding the policy priorities or the requirements
7 and procedures for submitting an unsolicited or solicited proposal.

8 (d) If the unsolicited proposal does not comply with the requirements of subsection (b) of
9 this Code section, the department shall return the proposal without further action. In taking
10 such action, the department shall not disclose either the originality of the research or any
11 proprietary information associated with the proposal to any other person or entity. If the
12 unsolicited proposal complies with all the requirements of subsection (b) of this Code
13 section, the department may further evaluate the proposal pursuant to this Code section.

14 (e) Within 30 days of receipt of an unsolicited proposal that meets the requirements of
15 subsection (b) of this Code section, the department shall provide public notice of the
16 proposed project. This notice shall:

17 (1) Be published in a newspaper of general circulation which is a legal organ and upon
18 such electronic website providing for general public access as the department may
19 develop for such purpose or in the same manner as publications providing notice as
20 described in Code Section 32-2-65;

21 (2) Be provided to any person or entity that expresses in writing to the department an
22 interest in the subject matter of the proposal and to any member of the General Assembly
23 whose House or Senate district would be affected by such proposal;

24 (3) Outline the general nature and scope of the unsolicited proposal, including the
25 location of the transportation system project and the work to be performed on the project;
26 and

27 (4) Specify the address to which any comparable proposal must be submitted.

28 (f) Any person or entity who elects to submit a competing proposal for the proposed
29 qualifying project to the department shall submit a written letter of intent to do so by no
30 later than ~~30~~ 45 days after the department's initial publication of the notice accompanied
31 by any fee that the department shall prescribe by guideline, rule, or regulation. Any letter
32 of intent received by the department after the expiration of the ~~30~~ 45 day period or without
33 any fee required by the department shall not be valid, and any competing proposal
34 submitted thereafter by a person or entity who has not submitted a timely letter of intent
35 shall not be considered by the department and shall be returned to the person or entity who
36 did not submit a letter of intent by the deadline. For those persons or entities who elect to
37 submit a competing proposal and submit a timely letter of intent with the department, any

1 such competing proposal shall be submitted to the department by no later than ~~90~~ 135 days
 2 after the department's initial publication of the notice required by this Code section. Only
 3 those competing, compliant proposals submitted by such deadline shall be considered by
 4 the department.

5 (g) Upon receipt of a proposal properly submitted in response to the notice described in
 6 subsection (e) of this Code section which fully meets the requirements of subsection (b) of
 7 this Code section, the department shall:

8 (1) Determine, in its discretion, if any submitted proposal is comparable in nature and
 9 scope to the ~~unsolicited~~ original proposal and whether it warrants further evaluation;

10 (2) Evaluate the original proposal and any comparable proposal and make a
 11 recommendation to the Evaluation Committee to move forward with a letter of intent to
 12 negotiate; and

13 (3) Conduct good faith discussions and, if necessary, ~~negotiation~~ negotiations concerning
 14 each ~~comparable~~ qualified proposal.

15 (h) The department shall base its evaluation of the ~~unsolicited~~ original proposal or
 16 comparable proposals on the following factors:

17 (1) Unique and innovative methods, approaches, or concepts demonstrated by the
 18 proposal;

19 (2) Scientific, technical, or socioeconomic merits of the proposal;

20 (3) Potential contribution of the proposal to the department's mission;

21 (4) Capabilities, related experience, facilities, or techniques of the proposer as described
 22 in the proposal or unique combinations of these qualities that are integral factors for
 23 achieving the proposal objectives;

24 (5) Qualifications, capabilities, and experience of the proposed principal investigator,
 25 team leader, or key personnel who are critical in achieving the proposal objectives; and

26 (6) Any other factors appropriate to a particular proposal.

27 (i) Once the department has concluded its evaluation of the ~~unsolicited~~ proposal and any
 28 comparable proposals or a solicited proposal where applicable, the department shall
 29 transmit its findings and research to the Evaluation Committee for further review. Once
 30 the Evaluation Committee has concluded its review and makes its recommendation to the
 31 department, the department may execute a ~~commitment agreement~~ letter of intent to
 32 negotiate with the entity submitting the most desirable proposal as determined by the
 33 department's evaluation process. At least two weeks prior to approval of any project, the
 34 department shall present to the Governor and the House and Senate transportation
 35 committees a report with respect to the proposed ~~commitment agreement~~ letter of intent to
 36 negotiate. Such ~~commitment agreement~~ letter of intent to negotiate shall indicate the

1 department's ~~commitment~~ willingness to undertake a public-private initiative ~~to execute~~
 2 ~~the proposal~~ if, after public comment:

3 (1) The department determines that the project is financially feasible and in the public
 4 interest; and

5 (2) The department and the proposer can arrive at agreeable terms and conditions,
 6 including price of the project.

7 (j) The department may execute a ~~commitment agreement~~ letter of intent to negotiate
 8 relating to an unsolicited proposal or conforming comparable proposal or a solicited
 9 proposal only if:

10 (1) The proposal receives a favorable evaluation by the department and the Evaluation
 11 Committee;

12 (2) The department makes a written determination based on facts and circumstances that
 13 the proposal is an acceptable basis for an agreement to obtain services from the entity
 14 making the proposal; and

15 (3) The specific ~~commitment agreement~~ letter of intent to negotiate is specifically
 16 approved by affirmative vote of the State Transportation Board.

17 (k) Once the ~~commitment agreement~~ letter of intent to negotiate is signed by the parties,
 18 prior to final contracting for any public-private initiative from the unsolicited or
 19 conforming comparable proposal or a solicited proposal, the department:

20 (1) Should provide public notice that the department will receive public comment with
 21 respect to such proposal. The notice shall:

22 (A) Be published in a newspaper of general circulation and which is a legal organ, and
 23 upon such electronic website providing for general public access as the department may
 24 develop for such specific purpose, or in the same manner as publications providing
 25 notice as described in Code Section 32-2-65, or both, allowing at least 14 days and no
 26 more than 45 days for public comment to be submitted for consideration;

27 (B) Be provided to any person or entity that expresses in writing to the department an
 28 interest in the subject matter of the proposal;

29 (C) Outline the general nature and scope of the proposal, including the location of the
 30 transportation system project and the work to be performed on the project; and

31 (D) Specify the address to which any public comment or requests for an executive
 32 summary must be submitted; and

33 (2) In its discretion, may provide additional opportunity for public comment at a public
 34 meeting or meetings. In such event, notice of such meetings shall be provided in the
 35 same manner as described in paragraph (1) of this subsection.

36 (l) In taking the actions required by subsections (e) and (k) of this Code section, the
 37 department shall not disclose either the originality of the research or any proprietary

1 information associated with the proposal as listed by the proposer required by paragraph (3)
2 of subsection (b) of this Code section.

3 (m) Except as provided under subparagraph (b)(3)(A) of this Code section, the ~~The~~
4 ~~provisions of Code Section Sections 50-14-1 and 50-18-70 to the contrary notwithstanding,~~
5 ~~no proposal shall become a 'public record' nor be subject to disclosure as such until such~~
6 ~~time as a commitment agreement has been signed and notice of solicitation of public~~
7 ~~comment has been published as required in subsection (k) of this Code section~~ the
8 unsolicited proposal, any comparable proposals, or any solicited proposals have been
9 received and any competitive interviews specified in the solicitation process have been
10 completed. At all times thereafter, the department shall not disclose trade secret or
11 proprietary information, or both, specifically designated by the proposer as required by
12 paragraph (3) of subsection (b) of this Code section which meets the definition of a trade
13 secret under Code Section 50-18-70, et seq. Subject to the foregoing, all proposals
14 submitted to the department shall become the property of the department and are subject
15 to the Georgia Open Records Act. Proposers should familiarize themselves with the
16 provisions of the Act to ensure that all documents identified as confidential will not be
17 subject to disclosure under the Open Records Act; provided, however, that the department
18 in consultation with the Department of Law shall make the final determination of whether
19 or not the requested materials are exempt from disclosure. In the event that the department
20 elects to disclose the requested material, it shall attempt to provide the proposer advance
21 notice of its intent to disclose.

22 (n) The power of eminent domain shall not be delegated to any private entity under any
23 public-private initiative commenced or proposed pursuant to this chapter.

24 (o) The department or the department's designee has the authority to make the
25 determination and take the actions required by this Code section.

26 (p) If the department rejects or declines to accept an unsolicited proposal, but, within a
27 period of two years following the submission of such proposal the department contracts for
28 a substantially similar project, the department shall reimburse the proposer of the
29 unsolicited proposal for the auditable costs associated with the preparation and
30 development of the proposal upon a request for reimbursement to the department. This
31 provision shall not apply if the department accepts a conforming comparable proposal
32 through the procedures outlined in subsections (f) and (g) of this Code section."

33 SECTION 3.

34 Said article is further amended by striking Code Section 32-2-80, relating to authority to
35 contract with proposer for public-private initiative, and inserting in its place the following:

1 "32-2-80.

2 (a) If the department follows the evaluation criteria set forth in Code Section 32-2-79 and
3 if an unsolicited or solicited proposal contains all the information required by that Code
4 section and the proposal is accepted by the department as demonstrated by the execution
5 of a ~~commitment agreement~~ letter of intent to negotiate, upon completion of the public
6 comment period, the department shall have the authority to contract with the proposer for
7 a public-private initiative based upon the proposal without subjecting such contract to
8 public bid as required by Code Section 32-2-64, 32-10-68, or 50-5-72. For all such
9 public-private initiatives, 100 percent payment and performance bonds shall be required,
10 sufficient to protect the interest of the state and the department in the construction or
11 implementation of the public-private initiative. Such contracts shall be in compliance with
12 all other applicable federal and state laws and each specific contract shall be specifically
13 approved by affirmative vote of the State Transportation Board and concurrence by the
14 Governor.

15 (b) Any agreement entered into pursuant to this article may authorize funding to include
16 tolls, fares, or other user fees and tax increments for use of the transportation facility that
17 is the subject of the proposal. The department may take any action to obtain federal, state,
18 or local assistance for a qualifying project that serves the public purpose of this chapter and
19 may enter into any contracts required to receive such assistance. Any funds received from
20 the state or federal government or any agency or instrumentality thereof shall be subject
21 to appropriation as provided by the Constitution and laws of this state. The department
22 may determine that it serves the public purpose of this chapter for all or any portion of the
23 costs of a qualifying project to be paid, directly or indirectly, from the proceeds of a grant
24 or loan made by the federal, state, or local government or any instrumentality thereof,
25 including, but not limited to, the State Road and Tollway Authority and the Georgia
26 Highway Authority. The department may agree to make grants or loans to the operator
27 from time to time from amounts received from the federal, state, or local government or
28 any agency or instrumentality, including, but not limited to, the State Road and Tollway
29 Authority and the Georgia Highway Authority.

30 (c) The department, in its sole discretion, may reject any unsolicited or solicited proposal
31 at any time until a contract is signed with the entity submitting the proposal. In the event
32 that a an unsolicited proposal is rejected but the department subsequently proceeds with all
33 or part of such proposal within a period of two years, the entity submitting the proposal
34 shall be entitled to reimbursement of the costs of developing the unsolicited proposal as
35 indicated in subsection (p) of Code Section 32-2-79; provided, however, that the
36 department shall not be responsible for reimbursement of the costs of developing a solicited
37 proposal."

1 the Secretary of State, who shall be authorized to accept such filings. The commissioner
2 and two individuals appointed by the members of the authority shall constitute the
3 members of and shall serve as directors of any subsidiary corporation, and such
4 appointment shall not constitute a conflict of interest, provided that the provisions of
5 subsection (a) of Code Section 45-10-23 or any other law shall not prevent full-time
6 employees of the authority or the Department of Transportation from serving as members
7 of the governing board of such subsidiary corporation. Upon dissolution of any
8 subsidiary corporation of the authority, any assets shall revert to the authority or to any
9 successor to the authority or, failing such succession, to the state, provided that any toll
10 collection or other tollway operations remain under the authority of the State Road and
11 Tollway Authority. The authority shall not be liable for the debts, obligations, or bonds
12 of any subsidiary corporation or for the actions or omissions to act of any subsidiary
13 corporation unless the authority in writing expressly so consents."

14 **SECTION 6.**

15 This Act shall become effective upon its approval by the Governor or upon its becoming law
16 without such approval.

17 **SECTION 7.**

18 All laws and parts of laws in conflict with this Act are repealed.