



Jeff Kraus

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING
September 26, 2003

GLORIA J. JEFF
DIRECTOR

The Honorable Shirley Johnson, Chair
Senate Appropriations Subcommittee
on Transportation
Michigan State Senate
P.O. Box 30036
Lansing, Michigan 48909-7536

The Honorable Scott Shackleton, Chair
House Appropriations Subcommittee
on Transportation
Michigan House of Representatives
P.O. Box 30014
Lansing, Michigan 48909-7514

Dear Senator Johnson and Representative Shackleton:

Public Act 561 of 2002, Sec. 601 states:

The department shall work with the road construction industry to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30, 2003, to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

The Michigan Department of Transportation (MDOT), Bureau of Highway Operations, Administrative Services Section has reported the status of the warranties, future development plans, implementation strategy, tracking and evaluating the work, and issues or concerns of industry associates in the enclosed document.

Sincerely,

Gloria J. Jeff
Director

BFA:MF:FOD:EAT:kv
Enclosure

- cc Gary S. Olson, Director
Senate Fiscal Agency
- Mitchell Bean, Director
House Fiscal Agency
- bcc R. DeCook
- M. Frierson
- E. Timpf

PERFORMANCE AND ROAD CONSTRUCTION WARRANTIES
FY 2002-2003

The Michigan Department of Transportation (MDOT) is committed to working with the road construction industries to develop performance and road construction warranties for construction projects as required by Public Act 561, Public Acts 2002, Section 601. MDOT has completed a series of meetings with the Industry Associations with a recommendation being prepared on the future direction and development of warranties.

Through 2002 MDOT has let and constructed over 604 warranty projects. The following warranties were established for these projects:

- One-hundred and fifty (150) were 5 year materials and workmanship warranties in the Rehabilitation Reconstruction Program.
- Four-hundred and fifty-two (452) were 3 year performance warranties in the Capital Preventive Maintenance Program.
- One (1) was a 7 year performance warranty in the Improve Expand Program.
- One (1) was a 7 year Design Build Warranty.

MDOT will continue the development and refinement of its warranty program with input from all interested parties.