



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN
FERGUSON, MISSOURI, WEDNESDAY, NOVEMBER 6, 2019**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, November 6, 2019, at St. Louis Community College (Florissant Valley Campus), 3400 Pershall Road, Ferguson, Missouri. Michael B. Pace, Chair, called the meeting to order at 9:00 a.m. The following Commissioners were present: Gregg C. Smith, Michael T. Waters, Jr., Terry L. Ecker, and Robert G. Brinkmann, P.E. John W. Briscoe participated via teleconference.

The meeting was called pursuant to Section 226.120 of the Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the Revised Statutes of Missouri, as amended.

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Patrick McKenna, Director of the Missouri Department of Transportation; Rich Tiemeyer, Chief Counsel for the Commission; and Pamela J. Harlan, Secretary to the Commission, were present on Wednesday, November 6, 2019.

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*“Department” or “MoDOT” herein refers to Missouri Department of Transportation.
“Commission” or “MHTC” herein refers to Missouri Highways and Transportation Commission.*

-- CLOSED MEETING --

VOTE TO CLOSE MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo, including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(1) – Legal actions and attorney-client privileged communications.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.
3. Section 610.021(11), (12) – Competitive bidding specs, sealed bids, or negotiated contracts.

Upon motion duly made and seconded to convene in closed session, the Chairman called for a voice vote of the members. The vote was as follows:

Commissioner Pace, Aye
Commissioner Smith, Aye
Commissioner Waters, Aye
Commissioner Briscoe, Aye
Commissioner Ecker, Aye
Commissioner Brinkmann, Aye

The Commission met in closed session on Tuesday, November 5, 2019, at 12:00 p.m. and adjourned at 3:30 p.m.

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-- OPEN MEETING --

COMMISSION/DIRECTOR ITEMS

APPROVAL OF MINUTES

Upon motion by Commissioner Smith, seconded by Commissioner Waters, the Commission unanimously approved the minutes of the regular meeting held October 2, 2019, the special meeting held October 1, 2019, and the amended minutes for the September 6, 2019 meeting. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

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CONSENT AGENDA

Consent Agenda Process

In order to make the most efficient use of Commission meeting time and to ensure Commission members are well informed on issues requiring their action, staff prepares and submits to the Commission members, in advance of their meeting, internal memoranda consisting of advice, opinions, and recommendations related to the items of the Commission meeting agenda. Those items considered by staff to be of a routine or non-controversial nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member. The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

Minutes reflecting approval of items on the consent agenda are singly reported herein and intermingled with minutes reflecting action on related subjects that were openly discussed. Reference to “consent agenda” is made in each minute approved via the process described in the paragraph above. Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

Consideration of November 6, 2019, Consent Agenda

No items were removed from the consent agenda. Upon motion by Commissioner Waters, seconded by Commissioner Smith, the consent agenda items were unanimously approved by a quorum of Commission members present.

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COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees' Retirement System Board of Trustees. The following committee and board reports were made during the November 6, 2019, meeting.

Audit Committee – Commissioner Waters reported the Audit Committee met with the external auditors from BKD. The Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR), including the independent audit report was presented. For the twentieth consecutive year, MoDOT has received an unmodified (clean) opinion. The committee also reviewed and accepted one internal audit report regarding the review of Central Office expenditures.

Legislative Committee – Commissioner Smith commended staff for their efforts to visit with House and Senate members from across the state while the General Assembly is not in session. The first day for pre-filing legislation for the 2020 session of the Missouri General Assembly is December 1. Governmental Relations is pursuing legislative sponsors for the Commission's legislative agenda items which include prohibiting the use of hand-held electronic wireless communication devices while driving; and seeking a legislative change to establish a registration fee based on a motor vehicle's MPG rating. The first proposal will reduce distracted driving and save lives. The second proposal would modernize Missouri's motor vehicle registration fee structure and is a responsible step toward supporting fuel efficiency and supporting the revenues required to operate a safe and reliable transportation infrastructure system.

Missouri Transportation Finance Corporation (MTFC) – Commissioner Smith stated there was no report this month.

MoDOT and Patrol Employees' Retirement System (MPERS) – Commissioner Smith stated there was no report this month.

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DIRECTOR'S REPORT

During the November 6, 2019, Commission meeting, Director Patrick McKenna provided the following report:

AASHTO Awards – Last month, MoDOT won the Grand Prize in the America's Transportation Awards competition for the nation's best transportation project. MoDOT's winning entry, which was shared with the Illinois Department of Transportation, was for a series of projects along the St. Louis Riverfront which reduced congestion, enhanced safety and set the stage for a renovation of the St. Louis Arch grounds, directly connecting downtown St. Louis with the riverfront. MoDOT also won the Francis B. Francois Award for innovation for the way the department used a data-driven safety analysis tool within the design-build program. The annual meeting held in St. Louis in October was a huge success, and Director McKenna expressed his thanks to the many MoDOT volunteers who served as hosts.

State Awards of Distinction – Two MoDOT employees were recently selected as winners of the 2019 Missouri State Employee Award of Distinction. Kellen Burns, senior communications specialist from the Communications Division, received the Award of Distinction in Innovation for his work in maintaining and improving MoDOT's web offerings, including www.modot.org. Bret Hicks, maintenance superintendent in the Southwest District, received the Award of Distinction in Safety for his work on the "Gear Up" employee orientation program to ensure employees get as much hands-on training as possible before going to work in the field. They both will be honored at an award reception and will receive recognition from the Governor in the coming months.

2019 National Roadway Safety Award – Last week, the Northeast and Central Districts were honored with a National Roadway Safety Award for their successful program to reduce the high rates of fatal and serious injury crashes at three dangerous intersections on U.S. Route 63 in Central Missouri. Assistant Northeast District Engineer Kevin James accepted the award in Washington, D.C. on behalf of MoDOT. The median U-turns – or J-turns – that were installed have reduced the overall crash rate by fifty percent over four years and there have been no severe injury or fatal crashes at these locations. The National Roadway Safety Awards are sponsored jointly by the Federal Highway Administration and the Roadway Safety Foundation. They recognize roadway safety achievements that move the United States toward zero deaths and serious injuries on the nation's roadways.

Buckle Up Phone Down (BUPD) Day – Also last week, MoDOT teamed up with the National Transportation Safety Board, the Missouri Coalition for Roadway Safety, the University of Missouri and StopDistractions.org to hold a roundtable to discuss strategies to prevent distracted driving. At that event, the department was able to share some great news; the annual seat belt usage survey shows that Missouri is at an all-time high – 87.7 percent! That is up 6.3 percent in just the last three years – which coincides with the launch of the Buckle Up Phone Down (BUPD) campaign. In 1998, seat belt usage in Missouri was just 60 percent. In addition to the roundtable, BUPD Day events were held throughout the state, and BUPD messages are displayed on vehicle wraps displaying the BUPD logo in the Jefferson City and Columbia areas. Buckle Up Phone Down describes the two most impactful actions a driver can take to prevent crashes or survive if one occurs.

Winter Operations Drill is tomorrow – Even though MODOT road crews have already been out this year battling winter weather in certain parts of the state, tomorrow is the annual statewide winter operations drill to prepare for the upcoming winter weather season. MoDOT makes every effort to ensure employees are prepared and ready to clear or treat state routes in the event of winter weather. The drill, in conjunction with winter operations skills training, allows the department to test the readiness of the workforce and equipment. There are detailed winter operations plans and trucks drive set routes that allow efficient work, making the most of resources. The drill is an opportunity to measure the snowplow circuit and will help with anticipating future response times when an actual snowfall occurs.

Governor’s Bridge Tour – Governor Parson has resumed his tour of bridges that will be repaired or replaced through his Focus on Bridges Program. He visited several sites two weeks ago in the Kansas City and St. Louis Districts, and he visited another in the Central District last Wednesday. He is making stops in the Southwest District today and the Northwest tomorrow. The Director was pleased to announce that work on the first bridge in the program will begin next week in Montgomery County in the Northeast District.

Stand Up for Safety – Several weeks ago MoDOT held its annual Stand Up for Safety Day. The communications team put together a short video to highlight the day’s activities that was shared with the audience.

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PUBLIC PRESENTATIONS

ST. CHARLES COUNTY UPDATE

Steve Ehmann, St. Charles County Executive, presented to the Commission a little about what is going on with the region and St. Charles County. He thanked the Commission for the completion of the new interchange at Highways P and 61, a tremendous safety improvement in the area. He also shared with the Commission an update on the Wentzville bottleneck project on Interstate 70. This is where there are only two lanes of traffic going under a railroad track. St. Louis is the gateway to the west but if you want to go west from St. Louis you must squeeze down to two lanes under a railroad bridge. This portion of roadway is in the top one hundred freight bottlenecks listed by the American Transportation Research Institute.

The project is a significant unfunded need, but it is making progress. The environmental work for this project has been completed, right of way has been purchased, and the project is part of the region's long-range transportation plan. However, there is a lot of work that needs to be done. The Interstate 70 freight corridor is only as strong as its weakest point; a couple of weak points is at the bottleneck at Wentzville and at the I-64 and I-70 interchange. He also expressed his support of the I-270 north design build project as that portion of roadway is also important to the freight corridor.

He also expressed support of the application to reopen the port authority for St. Charles county. It existed for a long time, but about twenty years ago it was left to expire. What you do is important to economic development in the region. This is a step that will be beneficial to the county. You will receive additional information regarding this application at your meeting next month.

Commissioner Smith thanked Mr. Ehmann for his presentation and partnership with the department.

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MODOT PRESENTATIONS

HIGH-PRIORITY UNFUNDED NEEDS

On behalf of the Director, Ben Reeser, Assistant Transportation Planning Director, explained the department needed a list of unfunded needs across the state to be able to clearly and consistently talk about the needs in each region. Having a list of unfunded needs means the state is prepared when funding opportunities come along. As a result, the department worked with planning partners around the state to prepare the High Priority Unfunded Needs document. The regional planning commission and metropolitan planning organizations worked with MoDOT to seek grassroots input of local priorities through public outreach. Transportation funding that is available today is focused on asset management, which means the department is maintaining the current system conditions, but not improving bridge and pavement conditions. Today there are about \$825 million per year of high priority unfunded needs ranging from improving bridge and pavement conditions, economic development projects, safety projects, and interstate reconstruction.

The High Priority Unfunded Needs document is divided into two tiers. Tier One totals \$608 million and Tier Two is \$2.2 billion. Tier One uses the Commission's flexible funding formula that considers three factors: vehicle miles traveled, employment, and population. Tier One projects will address two major bridges (the Rocheport Bridge on I-70 and the Buck O'Neil Bridge in Kansas City), 113 miles of road conditions, 21 bridge improvements, and 8 miles of major interstate reconstruction. The economic impact for a 20-year model indicate that every dollar spent earns a \$2.50 return, or about \$1.5 billion economic impact which on average is 484 jobs per year.

Tier Two totals \$2.2 billion which indicates a lot of pent up demand for projects. The projects for this tier are focused on major interstate reconstruction – approximately 32 miles, economic growth projects, safety projects, and 27 bridges to be improved. The economic impact for this tier is about \$5.5 billion and over 1,700 jobs created with this level of investment.

However, keeping these needs in perspective, Tier One projects only address about seven percent of the total unfunded needs. Adding Tier Two projects and that addresses about thirty-four percent of the total unfunded needs.

The good news is progress has been made to address some of the Tier One unfunded needs. There is \$503 million of resources that have come through to help go toward Tier One. This includes \$351 million of general revenue bonding, \$81 million federal INFRA grant, \$50 million state general revenue cost-share program, and \$21 million federal bridge grant for northern Missouri. It is exciting that most of these unfunded needs will not be unfunded for long!

Mr. Reeser explained the department will formalize the process for developing and updating the High Priority Unfunded Needs list each year. Starting with the update of the asset management plan in July-September time frame, followed by the Financial Forecast update in January-February, then the Draft Statewide Transportation Improvement Program (STIP) in May with the public comment period, concluding with the Final STIP that is brought to the Commission for approval in July. This document will help continue to communicate the need for adequate funding for transportation in Missouri and joins the family of other documents including the Citizen’s Guide to Transportation Funding in Missouri, the STIP road and bridge program, and the High Priority Unfunded Needs List.

Commissioner Briscoe thanked Mr. Reeser for his presentation stating it is nice to see the list in one easy to read document. He also commented addressing the unfunded transportation needs is like eating an elephant, you must do it one bite at a time, this time we were able to take a seven percent bite out of the elephant and he encouraged the department to keep nibbling away at it!

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CONSIDERATION OF PROPOSALS FOR THE I-270 NORTH DESIGN-BUILD PROJECT

On behalf of the Director, Ed Hassinger, Deputy Director/Chief Engineer, and Justin Wolf, Project Director, described the project that will improve 14.5 miles of the I-270 north corridor from the Mississippi River to its connection with I-70.

Project Goals

The goals of the design-build project are to deliver the project by December 1, 2023 within the programmed budget of \$278 million; maximize reliability and safety while linking communities for all users; provide a durable and maintainable transportation network making I-270 the conduit for a prosperous region; grow and utilize a diverse workforce; and minimize and mitigate impacts to customers through innovation. The project budget of \$278 million includes engineering, stipend, right of way, and utilities. The design-build contract amount is \$246 million for a fixed price/best value proposal.

MoDOT's External Civil Rights Division established an eighteen percent disadvantaged business enterprise goal for construction work and a twenty-two percent disadvantaged business enterprise goal for professional services for the project. The best value proposer will be required to meet workforce diversity goals of 14.7 percent minority per craft and 6.9 percent female per craft. There is also an on-the-job training requirement of eight positions at 1,000 hours each; this includes six for construction trades and two for professional services, and provides a \$10 per hour incentive.

Procurement Process

By Commission action on August 1, 2018, the Commission approved the use of design-build for the I-270 North Design Build Project. Since then, MoDOT's design-build team has been working through the procurement process. Two teams were prequalified on June 3, 2019, to compete for the contract. The Request for Proposals was released June 26, 2019. The MoDOT Design-Build team held weekly one-on-one technical meetings with teams from June 27, 2019 through September 19, 2019. Final proposals were

submitted on October 3, 2019. The MoDOT design-build team reviewed and evaluated the proposals.

The two teams that submitted proposals include:

- KCI-Clarkson Joint Venture – major participants include KCI, Clarkson, HDR, and Jacobs; other participants include ABNA, Geotechnology, StratCommRx, and West Contracting.
- Millstone Weber – major participants include Millstone Weber and Parsons; other participants include Pace Construction, Horner & Shifrin, CBB, Terracon, and Excel Business Concepts.

Evaluation

The items that were evaluated by the MoDOT design-build team included project definition (60 points available), maintenance of traffic and schedule (30 points available), and public information and community outreach (10 points available) for a total of 100 points. Mr. Wolf provided a summary of the proposals submitted by each team and the total points awarded to each team as outlined below.

- KCI-Clarkson Joint Venture – 66.1 points
- Millstone Weber Team – 79.6 points

Commission Consideration and Action

Mr. Wolf recommended Millstone Weber Team as the best value proposer. Their proposal includes:

- Delivery of a \$246 million project to be completed by December 1, 2023
- Provides for an additional lane on I-270 from Route 67/Lindbergh to Route 367
- Constructs a split diamond interchange at Lindbergh Road
- Builds a two-lane partial turbine interchange at Route 367
- Removes cross-over slip ramps by conversion to a one-way outer road from Hanley/Graham to Old Halls Ferry
- Replaces 12 bridges
- Constructs 7 new bridges
- Provides safety and traffic operations management improvements
- Provides bicycle/pedestrian facilities from Lindbergh to Breezy Point (approximately 6 miles)
- Maintains three lanes open on I-270 during construction rush hours

Chairman Pace thanked Mr. Wolf for his presentation and the MoDOT design-build team for their work on this project to date.

After consideration, Commissioner Waters moved that the Commission adopt staff recommendations to approve the Millstone-Weber design-build team as the best value proposal for the I-270 North design-build project in St. Louis County; authorize the Director, Deputy Director/Chief Engineer, or their designee to negotiate and execute a contract with the Millstone-Weber Team subject to approval as to form by the Chief Counsel's Office; and authorize payment of a \$750,000 stipend to the unsuccessful proposing team. This motion was seconded by Commissioner Smith. The Commission unanimously approved the motion.

Commissioner Waters thanked Mr. Wolf for his presentation stating design build is the best way to get the most value for the money. This project is exciting because not only will it get traffic through I-270 better, but it is also providing improvements for the communities to traverse along and across the corridor safely.

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REPORT REGARDING OVERALL DBE GOAL AND AVAILABILITY STUDY

On behalf of the Director, Missy Stuedle, Interim External Civil Rights Director, presented to the Commission a report on the department's Disadvantaged Business Enterprise (DBE) Program, completion of an availability study and the resulting change in the overall DBE goal.

Mrs. Stuedle began her presentation with a brief overview of MoDOT's DBE program. She explained the program establishes goals for participation on federal-aid projects by companies that are certified as a DBE. The DBE program requirements are established by federal law and regulated under 49 CFR Part 26. This includes how departments of transportation may establish goals and how to certify DBE firms. MoDOT is required to submit an overall DBE goal to the Federal Highway Administration every three years. Transportation officials may use availability or disparity studies to assist with establishing an overall DBE goal.

Federal regulations require a two-step process when setting the overall DBE goal. The first step is the calculation of a base figure for the relative availability of DBEs. This is accomplished through surveys of DBE firms, prime contractors, and subcontractors that work in the highway related field. Also, past utilization is reviewed to determine participation on projects. The second step requires consideration of a possible adjustment such as DBE capacity and past utilization. This could include firms that were either denied certification or recently graduated from the program. To help with this process, MoDOT procured an availability from Keen Independent Research, LLC.

The department wanted to make sure the partners were engaged in this process, so extraordinary public involvement was conducted. A DBE Focus Group was established and actively involved throughout the process, meeting with the consultant as the process started and periodically throughout the study period. Additionally, public meetings were conducted in St. Louis and Kansas City, and other platforms were used to receive comments for the study. This extra effort ensured the department was transparent throughout the whole process.

The consultant reviewed contracts for the time period from July 2013 through June 2018. This is a backward-looking approach for setting future goals. This review revealed DBEs received \$564 million worth of work during this timeframe resulting in 13.4 percent DBE participation on those projects.

The results of the availability study determined the baseline DBE availability in Missouri is 12.45 percent. Determining this availability is step one of the goal calculation. For the second step MoDOT considered work performed by DBEs over the past five years and calculated the median at 11.63 percent. Then the two numbers were averaged to 12.04 percent, which would result in a reduction of the overall goal to a percentage less than the past two years overall utilization. The department will be recommending the use of the baseline DBE availability of 12.45 percent for the overall goal for federal fiscal years 2018-2020.

The next steps will include notifying FHWA of the change to the overall goal. Mrs. Stuedle noted that although the overall goal may change, the goal setting process for individual projects is not changing. Individual projects will continue to be evaluated by the size of the project, the geographic location, subcontracting opportunities, and the availability of DBEs to perform that type of work. Despite MoDOT's overall DBE goal, the DBE goal for each project will continue to be established based upon those factors.

Commissioner Brinkmann thanked Mrs. Stuedle for her presentation stating his support of the diversity in the construction process and while the state is establishing goals, it is seeking higher goals in urban areas with more subcontracting opportunities.

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RESOLUTION AUTHORIZING THE OFFER FOR SALE OF THIRD LIEN STATE ROAD BONDS, SERIES B 2019

On behalf of the Director, Brenda Morris, Chief Financial Officer, informed the Commission that it needed to take several actions in order to issue and sell state road bonds that would generate the proceeds necessary to pay the project costs to improve 215 state highway system bridges from the Commission's most recent Statewide Transportation Improvement Program that were included in the Governor's Focus on Bridges Program.

Ms. Morris reminded the Commission that the General Assembly passed Senate Concurrent Resolution No. 14 that identified the conditions that needed to be met for the Commission to issue state road bonds to fund the Program. Ms. Morris stated the conditions contained in Senate Concurrent Resolution No. 14 in order for the Commission to issue its state road bonds, including that MoDOT accept a grant from the federal government. Ms. Morris noted that while that federal grant was not specified in the Senate Concurrent Resolution No. 14, the intent was that the grant would come from the Infrastructure for Rebuilding America (INFRA) discretionary grant program.

Ms. Morris related that the Department was awarded an \$81.2 million INFRA grant in July of 2019 for the Rocheport Bridge replacement project and for additional climbing lanes at Mineola Hills. Ms. Morris related that the Department has accepted the INFRA grant that shall be used to pay a portion of the costs for these Interstate 70 projects. Ms. Morris related that the Department's acceptance of the INFRA grant triggers the Commission's authority to issue state road bonds for the Program.

Ms. Morris said the Department intends for the Commission to conduct two bond issuances to generate proceeds for the Program. Ms. Morris said the purpose of this meeting was to request Commission authority to issue the first set of state road bonds totaling \$201 million that will be issued under the third lien of the Commission's Constitutional Amendment 3 debt.

Ms. Morris recommended adoption of the following Resolution authorizing the issuance of Series B 2019 Bonds, in an aggregate principal amount not to exceed \$200,000,000 to fund projects for the state highway system. The Resolution further delegates authority for approving certain documents and actions in connection with the issuance of said Series B 2019 Bonds. Ms. Morris also requested authority for the execution of documents related to the Series B 2019 Bonds.

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE OF THIRD LIEN STATE ROAD BONDS, SERIES B 2019, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000, TO FINANCE THE COSTS OF PROJECTS FOR THE STATE HIGHWAY SYSTEM; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID SERIES B 2019 BONDS.

1. The Commission is duly organized and existing under Article IV, Section 29 of the Missouri Constitution and Sections 226.005 to 226.191 of the Revised Statutes of Missouri, as amended, with authority over all state transportation programs and facilities as provided by law, and is vested with the powers and duties specified in Chapters 226 and 227 of the Revised Statutes of Missouri, as amended, including the general supervision and control over the Missouri Department of Transportation ("MoDOT") and the construction, reconstruction and repairs of the statewide connected system of public roads, highways and bridges which are acquired, constructed, reconstructed, improved and maintained by the State of Missouri in whole or in part by the aid of state moneys, and of highways constructed in whole or in part by the aid of moneys appropriated by the United States government, so far as such supervision is consistent with the acts of Congress relating thereto (the "State Highway System").

2. The Commission is authorized by the State Highway Act, to issue state road bonds for the purpose of providing funds for use in State Highway System construction and reconstruction, which bonds are payable out of the State Road Fund and the State Road Bond Fund as provided in Article IV, Section 30(b) of the State Highway Act.

3. The Commission has entered into a Master Bond Indenture dated as of December 1, 2000 (as originally executed, and with all amendments and supplements thereto, the “**Series 2000 Master Bond Indenture**”), to provide for the issuance of state road bonds (the “**Series 2000 Master Indenture Bonds**”), in separate series under the Series 2000 Master Bond Indenture, to finance and refinance the cost of implementing state highway projects (the “**Projects**”) as provided in the State Highway Act, to fund capitalized interest and to pay certain costs related to the issuance of the Series 2000 Master Indenture Bonds, on the terms and conditions provided in the Series 2000 Master Bond Indenture.

4. The Commission has entered into a Master Bond Indenture dated as of July 1, 2005 (as originally executed, and with all amendments and supplements thereto, the “**Master Bond Indenture**”), to provide for the issuance of state road bonds (the “**Series 2005 Master Indenture Bonds**”), in separate series under the Master Bond Indenture, in authorized principal amounts as the Commission may determine to be appropriate to comply with the constitutional and statutory duties of the Commission to fund the cost of implementing Projects as provided in the State Highway Act, and to pay certain costs related to the issuance of the Series 2005 Master Indenture Bonds, subject and subordinate to the terms of the Series 2000 Master Indenture Bonds and the Series 2000 Master Bond Indenture as to State Road Fund Revenues (as defined in the Series 2000 Master Bond Indenture) in the State Road Fund and on the terms and conditions provided for in the Master Bond Indenture.

5. The Commission has entered into a Master Bond Indenture dated as of December 1, 2008 (as originally executed, and with all amendments and supplements thereto, the “**Series 2008 Master Bond Indenture**”), to provide for the issuance of state road bonds (the “**Series 2008 Master Indenture Bonds**”), in separate series under the Series 2008 Master Bond Indenture, in authorized principal amounts as the Commission may determine to be appropriate to comply with the constitutional and statutory duties of the Commission to fund the cost of implementing Projects as provided in the State Highway Act, and to pay certain costs related to the issuance of the Series 2008 Master Indenture Bonds, subject and subordinate to the terms of the (a) Series 2000 Master Indenture Bonds and the Series 2000 Master Bond Indenture as to State Road Fund Revenues (as defined in the Series 2000 Master Bond Indenture) in the State Road Fund, and (b) Series 2005 Master Indenture Bonds and the Master Bond Indenture as to State Road Fund Revenues and State Road Bond Fund Revenues (as defined in the Master Bond Indenture), and on the terms and conditions provided for in the Series 2008 Master Bond Indenture.

6. Senate Substitute No. 2 for Senate Concurrent Resolution No. 14 (“**Concurrent Resolution No. 14**”) adopted by the General Assembly of the State of Missouri the (“**General Assembly**”) during its 2019 legislative session and signed by the Governor on June 10, 2019, authorized and directed the Office of Administration of the State of Missouri (the “**Office of Administration**”) to execute and deliver a financing agreement with the Commission to provide funds appropriated on an annual basis from the State’s general revenues to the State Road Fund for payment of debt service on state road bonds issued by the Commission to pay up to \$301 million in project costs (the “**Bridge Projects**”) for the planning, designing, construction, reconstruction, rehabilitation, and significant repair of 215 bridges on the State Highway System as selected by the Commission in its Statewide Transportation Improvement Program (the “**STIP**”) for fiscal years 2020 to 2024.

7. Pursuant to the State Highway Act, the Commission proposes to issue its **Third Lien State Road Bonds, Series B 2019** (the “**Series B 2019 Bonds**”), under the Master Bond Indenture, as amended and supplemented by the Supplemental Bond Trust Indenture No. 7 (the “**Supplemental Bond Indenture No. 7**”), for

the purpose of providing funds to (i) finance a portion of the costs of the Bridge Projects, and (ii) pay costs related to the issuance of the Series B 2019 Bonds.

8. The Commission finds and determines that it is necessary and desirable in connection with the issuance of the Series B 2019 Bonds that the Commission executes and delivers certain documents and that the Commission takes certain other actions as herein provided.

NOW THEREFORE, BE IT RESOLVED BY THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, AS FOLLOWS:

Section 1. Authorization of the Series B 2019 Bonds. The Commission is authorized to issue and sell the Series B 2019 Bonds in an aggregate principal amount not to exceed \$200,000,000, for purposes aforesaid which shall be issued under and secured by and shall have the terms and provisions set forth in the Master Bond Indenture, as supplemented and amended including the amendment by the Supplemental Bond Trust Indenture No. 7 referred to herein (collectively, the “**Indenture**”); provided that (1) the principal amount of the Series B 2019 Bonds shall not exceed \$200,000,000, (2) the Series B 2019 Bonds shall have a final maturity not later than 2026, (3) the Series B 2019 Bonds shall have a weighted average maturity of not less than 2.5 years and not more than 4.5 years, (4) the Series B 2019 Bonds shall bear interest at various interest rates not to exceed a true interest cost of 2.00%, and (5) the Series B 2019 Bonds shall not be subject to optional redemption prior to maturity. The Series B 2019 Bonds shall have such other terms to be determined by the authorized officers of the Commission and MoDOT in the manner described herein.

The Commission hereby authorizes the preparation of a Preliminary Official Statement and a Notice of Sale to provide for the competitive public sale of the Series B 2019 Bonds. Notice of said bond sale is hereby authorized and directed to be given by mailing copies, or by providing electronic notice through *PARITY* electronic bid submission system (“**PARITY**”), of the Notice of Sale and Preliminary Official Statement to investment banking firms and banks and other financial institutions located throughout the United States. Bids for the Series B 2019 Bonds may be received by a representative of the Commission, or by electronic bids through *PARITY*, upon the terms and conditions set forth in the Notice of Sale. The Commission hereby consents to the use and public distribution of the Preliminary Official Statement and the Notice of Sale related to the offering for sale of the Series B 2019 Bonds. The Commission further authorizes the filing of an application to Moody's Investors Service, Inc., Standard & Poor's Rating Service and Fitch Ratings for a rating of the Series B 2019 Bonds, and to take other actions necessary to carry out the competitive public sale of the Series B 2019 Bonds. The Series B 2019 Bonds shall be sold by the Commission to the underwriters (the “**Underwriters**”) providing the best bid in response to the Notice of Sale distributed by the Commission. The final terms of the Series B 2019 Bonds shall be specified in the Indenture upon the execution thereof, and the signatures of the officers of the Commission or MoDOT executing such Indenture shall, subject to approval as to form by the Chief Counsel's Office, constitute conclusive evidence of their approval and the Commission's approval thereof.

Section 2. Limited Obligations. The Series B 2019 Bonds shall be limited obligations of the Commission payable solely from the sources and in the manner as provided in the Indenture and shall be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Indenture) to the Bond Trustee (herein defined) and in favor of the holders of the Series B 2019 Bonds, as provided in the Indenture. The Series B 2019 Bonds shall not be deemed to constitute a debt or liability of the State of Missouri or a pledge of the full faith and credit of the State of Missouri. Nothing in the Series B 2019 Bonds shall be construed as obligating the State of Missouri to pay or redeem any of the Series B 2019 Bonds from, and the owners thereof may not look to, any general or other fund of the State of Missouri or of MoDOT, except as specifically provided in the Indenture.

Section 3. Authorization and Approval of Documents. The following documents (the “**Financing Documents**”) are hereby approved in substantially the forms filed in the records of the Secretary to the Commission, and the Commission is hereby authorized to execute and deliver each of the Financing Documents with such changes therein as shall be approved by the officers of the Commission or MoDOT executing the Financing Documents, such officers’ signatures thereon being conclusive evidence of their approval and the Commission’s approval thereof, subject to approval as to form by the Chief Counsel’s Office:

- (a) Supplemental Bond Trust Indenture No. 7 between the Commission and BOKF, N.A. (the “**Bond Trustee**”), providing for the issuance of the Series B 2019 Bonds pursuant to the Indenture, and setting forth additional terms and provisions applicable to the Series B 2019 Bonds.
- (b) Tax Compliance Agreement for the Series B 2019 Bonds between the Commission and the Bond Trustee, which sets forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Series B 2019 Bonds, to establish and maintain the exclusion of interest on the Series B 2019 Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of §148(f) of the Internal Revenue Code (the “**Code**”).
- (c) Continuing Disclosure Agreement between the Commission and BOKF, N.A., as Dissemination Agent, under which the Commission agrees to provide continuing disclosure of certain financial information, operating data and material events, for the benefit of the owners of the Series B 2019 Bonds and to assist the Underwriters of the Series B 2019 Bonds in complying with Rule 15c2-12 of the Securities and Exchange Commission.
- (d) Financing Agreement between the Commission and the Office of Administration related to the appropriation of funds from General Revenue Fund revenues by the State of Missouri to provide funds for payment of the debt service related to the Series B 2019 Bonds.

Section 4. Approval of Notice of Sale, the Preliminary Official Statement and the Final Official Statement. The form and substance of the Preliminary Official Statement and the Notice of Sale relating to the Series B 2019 Bonds submitted to the Commission is hereby in all respects ratified, confirmed and approved, and the officers of the Commission and MoDOT are hereby authorized, empowered and directed to execute the Notice of Sale, the Preliminary Official Statement and the final Official Statement in the name and on behalf of the Commission. The Commission approves the use and distribution of the Notice of Sale, the Preliminary Official Statement and the final Official Statement in connection with the offering and sale of the Series B 2019 Bonds. The Notice of Sale, the Preliminary Official Statement and the final Official Statement shall be in substantially the same form as the draft Notice of Sale and the Preliminary Official Statement now on file in the records of the Secretary to the Commission and hereby approved, with such changes therein as shall be approved by the officer of the Commission or MoDOT executing the same, and such execution shall constitute conclusive evidence of such officer’s approval and the Commission’s approval of any departures therein from the form of the Notice of Sale and the Preliminary Official Statement now on file in the records of the Secretary to the Commission. For the purpose of enabling the Underwriters to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the Commission hereby deems the information contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the Commission and MoDOT are hereby authorized, if requested, to provide the Underwriters a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriters to comply with the requirements of such Rule.

Section 5. Execution of Series B 2019 Bonds and Financing Documents. The Chairman or the Vice Chairman of the Commission, or the Director, the Deputy Director/Chief Engineer or the Chief Financial Officer of MoDOT, are hereby authorized and directed to execute the Series B 2019 Bonds by manual or facsimile signature and to deliver the Series B 2019 Bonds to the Bond Trustee for authentication for and on behalf of and as the act and deed of the Commission in the manner provided in the Indenture. The Chairman or Vice Chairman of the Commission, or the Director, the Deputy Director/Chief Engineer or the Chief Financial Officer of MoDOT, are hereby authorized and directed to execute and deliver the Financing Documents for and on behalf of and as the act and deed of the Commission subject to approval as to form by the Chief Counsel's Office. The Secretary to the Commission is hereby authorized and directed to attest to the Series B 2019 Bonds by manual or facsimile signature, to the Financing Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 6. Further Authority. The Commission shall, and the officers, agents and employees of the Commission and MoDOT are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments, including, without limitation, any arbitrage certificate, closing certificates, and tax forms, as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Commission with respect to the Series B 2019 Bonds and the Financing Documents subject to approval as to form by the Chief Counsel's Office.

Section 7. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Commission.

After consideration, and upon motion by Commissioner Smith, seconded by Commissioner Waters, the Commission took the following action:

1. Adopted a resolution authorizing the issuance of Third Lien State Road Bonds, Series B 2019 in an aggregate principal amount not to exceed \$200,000,000 to fund projects for the state highway system; and authorizing and approving certain documents and actions in connection with the issuance of said Series 2019 bonds.
2. Authorized the Secretary to the Commission to execute the Resolution confirming its adoption by the Commission, subject to approval as to form by the Chief Counsel's Office.
3. Authorized the Secretary to the Commission to execute the Senate Concurrent Resolution 14 Financing Agreement confirming its adoption by the Commission and its incorporation into the Series B 2019 Bonds transaction to secure repayment of the Series B 2019 Bonds from General Revenue Fund appropriations deposited into the State Road Fund, subject to approval as to form by the Chief Counsel's Office.
4. Authorized the Series B 2019 Bonds to be sold through a competitive sale.
5. Authorized the Director and the Chief Financial Officer to execute all documents related to the Series B 2019 Bonds, subject to approval of the documents as to form by the Chief Counsel's Office.

* * * * *

FISCAL YEAR 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT, INCLUDING INDEPENDENT AUDIT REPORT

On behalf of the Director, Brenda Morris, Chief Financial Officer, Kim Hamm, CPA and Kristen Bright, CPA of BKD, LLP, presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2019 including the Independent Audit Report. State law requires an annual audit of MoDOT's financial statements be performed by an independent certified public accountant. MoDOT believes preparing the CAFR demonstrates the highest level of public accountability and is deemed more transparent because of the information it presents. Ms. Morris explained while the Financial Services Division is responsible for preparing the CAFR, the results that are presented in the report are based upon a department wide effort. Ms. Morris reported for the twentieth consecutive year, MoDOT received an unmodified (clean) opinion. An unmodified opinion is issued when auditors can state that financial statements conform, in all material respects, to all reporting requirements.

Ms. Morris stated the introductory section provides general information on MoDOT's structure, services, and operating environment and a statistical section that provides financial and demographic trend information useful in assessing MoDOT's economic condition. The management discussion and analysis section of the CAFR provides a good overview of the financial activity of the last year and the statistical section provides comparative information. An item discussed in the management discussion and analysis section is the department's financial health based on information presented in the financial statements. The department's net position in fiscal year 2019 increased by a little more than \$506 million or 1.8 percent when compared to fiscal year 2018. In fiscal year 2015 MoDOT added the full pension liability in the financial statements; for fiscal year 2019 that liability totals a little over \$1 billion. There was a \$27.8 million increase that has been attributed to changes in the discount rate used by the actuaries to value the liability. The funded status of the retirement plan is 59.8 percent. Last year the department implemented a new accounting standard for the full liability of other post-employment benefits (OPEB).

The OPEB liability is the amount that will be owed in the future for medical plan premiums for retirees and totals \$772.7 million; which is close to the same amount of \$776.2 million for fiscal year 2018. The full unfunded liability for both pensions and OPEB are now included in the financial statement which helps demonstrate better transparency. Capital assets increased by \$241 million compared to last fiscal year. Net capital assets grew by \$269.5 million compared to fiscal year 2018. This amount includes the value of Missouri's almost 34,000 miles of highway, nearly 10,400 bridges, and property owned (land, buildings, equipment, and vehicles). Liabilities decreased by \$219.6 million in fiscal year 2019. the primary reason for the reduction is the repayment of debt including last spring's bond refunding.

Kim Hamm, CPA, reviewed with the Commission the results of the audit of the CAFR for the year ended June 30, 2019. She explained the CAFR is a large comprehensive report, and the auditor's opinion covers the financial statements. Included in the financial statements is the independent auditor's report which is the unmodified (clean) opinion on the financial statements. The auditor's opinion states the financial statements are free from any material misstatement and presented in accordance with generally accepted accounting principles. Ms. Hamm indicated the auditor's opinion on internal control and compliance over the financial reporting process is included in the last two pages of the CAFR, and there is no opinion rendered there. Ms. Hamm did note that during the year the department found and corrected some numbers in the infrastructure records, and footnote 14 contains additional information about the restatement. Ms. Hamm also indicated the department will be implementing two new accounting pronouncements, one is GASB 84 which is regarding fiduciary activities and the other is GASB 87 regarding leases. Ms. Hamm praised the professional and competent Financial Services Division staff and other areas of MoDOT for their assistance and cooperation during the audit process.

Ms. Morris recommended the Commission accept the Fiscal Year 2019 CAFR and Independent Audit Report as presented. Commissioner Smith commended staff for the work it took to accomplish this twentieth consecutive clean report. After consideration and upon motion by Commissioner Smith,

seconded by Commissioner Waters, the Commission unanimously accepted the Fiscal Year 2019 Comprehensive Annual Financial Report and Independent Audit Report as presented.

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ADMINISTRATIVE RULES/POLICIES

COMMISSION POLICY REVIEW – HIGHWAYS – CONSTRUCTION – CONTRACT ADMINISTRATION CATEGORY

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently operates under today. Since this initial action, some policies have been updated as necessary. As part of the Commission’s desire to periodically review Commission policies, the department and Commission have conducted a thorough review of the policies in the Highways-Construction-Contract Administration category. As a result of this review process, recommendations were made to reaffirm or reaffirm with updates the policies in the Highways-Construction-Contract Administration category. On behalf of the Director, Pamela J. Harlan, Secretary to the Commission, recommended the Highways-Construction-Contract Administration category of policies be revised as indicated with green text for new language, red strikethrough text for deleted language, blue strikethrough text that was deleted and moved, and purple text that was moved as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

ASSIGNMENT OF ROAD AND BRIDGE CONSTRUCTION CONTRACTS

A member of the Executive Committee ~~The Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer~~ may execute documents assigning road and bridge construction contracts from one contractor to another provided ~~(1)~~ the reassignment incurs no additional cost or delay for the Commission, and ~~(2)~~ the original contract bond is not released, cancelled, voided, or terminated. ~~The successor contractor may use the original contract bond if a name change rider is provided and the surety agrees to keep the original bond, but the surety agrees to keep that performance and payment bond coverage~~ in full force and effect for the ~~new~~ successor contractor ~~as the successor principal on that contract and bond~~, or a new bond for the full contract value must be provided by the successor contractor.

Executive Committee

For purposes of this policy the term Executive Committee includes the individuals who fill the positions of Director, Deputy Director/Chief Engineer, Assistant Chief Engineer, Chief Safety and Operations Officer, Chief Administrative Officer, and Chief Financial Officer.

Effective Date: November 6, 2019 ~~November 7, 2013~~
Supersedes Policy Dated: November 7, 2013 ~~April 3, 2012 – EOD, Paragraph B3e~~
Last Reaffirmed:
Date of Origin: June 14, 2006 - EOD
Related Commission Minutes: June 14, 2006-EOD; January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review; November 6, 2019 – Comprehensive Policy Review.

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

CONSTRUCTION CHANGE ORDERS

Change orders may be executed as specified in MoDOT’s Engineering Policy Guide; however, revisions in the contract amounts meeting any of the three following criteria must have the concurrent approval of the Deputy Director/Chief Engineer and Chief Financial Officer OR the Assistant Chief Engineer and the Chief Financial Officer: (1) additions greater than 50% if the original contract amount was \$500,000 or less; (2) additions greater than 25% if the original contract amount was greater than \$500,000; ~~or~~ (3) additions greater than \$1,000,000; or (4) Job Order Contracts exceeding two contract years and/or total expenditure greater than twice the annual contract award amount.

Effective Date: November 6, 2019 ~~April 3, 2012 – EOD, Paragraph B2~~
Supersedes Policy Dated: April 3, 2012 – EOD, Paragraph B2 ~~January 12, 2011 – EOD~~
Last Reaffirmed: November 7, 2013
Date of Origin: May 11, 1942
Related Commission Minutes: May 11, 1942; June 3, 1988; February 10, 1994; October 7, 1994; July 10, 2001; December 10, 2004 (title changes only); January 12, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review; November 6, 2019 – Comprehensive Policy Review.

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

Related Rule: 7 CSR 10-19 – Contractor Drug Testing Program

CONTRACTOR DRUG TESTING PROGRAM

Commission policies pertaining to the Contractor Drug Testing Program will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 19, *Contractor Drug Testing Program*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: February 5, 1998 – Final rules adopted.
Supersedes Policy Dated:
Last Reaffirmed: November 6, 2019 ~~November 7, 2013~~
Date of Origin: February 5, 1998 – Final rules adopted.
Related Commission Minutes: June 6, 1997; November 7, 1997; February 5, 1998; November 7, 2013 – Comprehensive Policy Review; November 6, 2019 – comprehensive policy review.

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

Related Statute: Section 292.675 RSMo, OSHA Construction Safety Program

CONTRACTOR TRAINING

In compliance with Section 292.675, RSMo, which became effective August 28, 2009, the Missouri Highways and Transportation Commission adopted the following Resolution on August 5, 2009.

TEN HOUR CONSTRUCTION SAFETY PROGRAM - SECTION 292.675 RSMo

WHEREAS, the Missouri General Assembly passed House Bill 390 during the 95th General Assembly; and

WHEREAS, effective August 28, 2009, Missouri law (Section 292.675 RSMo) requires that:

1. Awarded contractors and their subcontractors must provide a 10-hour OSHA construction safety program, or a similar program approved by the Department of Labor and Industrial Relations, for their on-site employees who have not previously completed such safety training and are directly engaged in public improvement construction;
2. Awarded contractors and their subcontractors must require all on-site employees to complete this ten-hour program within 60 days of beginning construction work unless they hold documentation on their prior safety training completion; and
3. Awarded contractors must forfeit and the Commission shall withhold/retain penalties assessed in the amount of \$2,500, plus \$100 per contractor/subcontractor employee for each calendar day that each employee is employed beyond the statutory time limits for completion of the required safety training; and

WHEREAS, the Missouri Highways and Transportation Commission, by law, must adopt a resolution to specify the ten-hour construction safety program requirements;

NOW, THEREFORE, LET IT BE RESOLVED that the Missouri Highways and Transportation Commission will specify these statutory requirements for safety training within its notices of bid opening and contract agreements for public improvement construction.

Effective Date: August 5, 2009
Supersedes Policy Dated:
Last Reaffirmed: ~~November 7, 2013~~ November 6, 2019
Date of Origin: August 5, 2009
Related Commission Minutes: August 5, 2009; November 7, 2013 – Comprehensive Policy Review; November 6, 2019 – comprehensive policy review.

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

CONTRACT TERMINATION

The Deputy Director/Chief Engineer shall develop procedures, specifications, and processes regarding contract termination for the convenience of the Commission. The contractor shall be reimbursed by the Commission for such expenditures, as in the judgment of the Deputy Director/Chief Engineer, are not otherwise compensated for, and as are required in preparing for and moving to the work, the intent being that an equitable settlement shall be made with the contractor. No claim for loss of anticipated profits shall be considered.

Effective Date: November 6, 2019 ~~November 7, 2013~~
Supersedes Policy Dated:
Last Reaffirmed:
Date of Origin: November 7, 2013

Related Commission Minutes: October 9-10, 1950; November 7, 2013 – Comprehensive Policy Review; November 6, 2019-
Comprehensive Policy Review.

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

Related Statutes and Regulations:

Title 49, Code of Federal Regulations, part 26
Sections 226.900 – 226.910, RSMo-~~2000~~
7 CSR 10-8 – Disadvantaged Business Enterprise Program

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

The Commission affirmatively encourages socially and economically disadvantaged owners of companies to participate in contracts and programs administered by the Missouri Department of Transportation with the objective of increasing participation by businesses owned or controlled by disadvantage business enterprises. The Director of the Missouri Department of Transportation is designated as the officer responsible for carrying out this policy. He shall designate a liaison officer and provide adequate support staff to implement this policy on a day-to-day basis, and he will ensure that all reasonable efforts are made within the confines of the federal regulations to aid in meeting the Commission's objective.

Effective Date: November 6, 2019 ~~November 7, 2013~~
Supersedes Policy Dated: November 7, 2013 ~~July 11, 1980~~
Last Reaffirmed:
Date of Origin: July 11, 1980
Related Commission Minutes: July 11, 1980; November 7, 2013 – Comprehensive Policy Review; November 6, 2019 – Comprehensive Policy Review.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM – RULES AND REGULATIONS

Implementation and administration of the Department's Disadvantaged Business Enterprise (DBE) Program will be in keeping with federal statutes and rules (Title 49, Code of Federal Regulations), and Code of State Regulations, Title 7, Division 10, Chapter 8, *Disadvantaged Business Enterprise Program*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: August 9, 2000 – Final rules adopted.
Supersedes Policy Dated: May 7, 1996 – Final rules adopted.
Last Reaffirmed: November 7, 2013
Date of Origin: December 9, 1988 – Final rules adopted.

Related Commission Minutes: August 5, 1988; December 9, 1988; June 4, 1993; April 3, 1994; July 8, 1994; February 6, 1996; May 7, 1996; May 5, 2000; August 9, 2000; November 7, 2013 – Comprehensive Policy Review; [May 2, 2018 – commission approves final orders and revised rules became effective on August 30, 2018](#); [November 6, 2019 – Comprehensive Policy Review](#).

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

Related Statute: Section 144.030 RSMo

SALES TAX EXEMPTION CERTIFICATES

Agreements with tax exempt entities (including cities, counties, public and private not-for-profit agencies and other charitable organizations) to allow the entities to take advantage of their sales tax exemption on materials used on roadway construction projects significantly funded by the local entities may be executed by [a member of the Executive Committee](#), the ~~Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer,~~ State Design Engineer, ~~or the General Services Director, or the Central Office General Services Managers. These staff members may delegate to others under their supervision by written authority filed in the respective division.~~ The sales tax exemption certificate approved by the Missouri Department of Revenue will be included in the contract documents for MoDOT administered projects.

Executive Committee

For purposes of this policy the term Executive Committee includes the individuals who fill the positions of [Director, Deputy Director/Chief Engineer, Assistant Chief Engineer, Chief Safety and Operations Officer, Chief Administrative Officer, and Chief Financial Officer.](#)

Effective Date: [November 6, 2019](#) ~~April 3, 2012 – EOD, Paragraph B10~~
Supersedes Policy Dated: [April 3, 2012 – EOD, Paragraph B10](#) ~~January 12, 2011 – EOD~~
Last Reaffirmed: November 7, 2013
Date of Origin: June 4, 1999
Related Commission Minutes: June 4, 1999; [January 12, 2011-EOD](#); [April 3, 2012-EOD](#); November 7, 2013 – Comprehensive Policy Review; [November 6, 2019 – comprehensive policy review](#).

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Administration

STANDARD SPECIFICATIONS

Section 227.110, RSMo-~~2000~~, as revised, states that the state highway system shall be constructed in accordance with specifications. In keeping therewith, the Commission charges the [Deputy Director/Chief Engineer](#) with the responsibility for preparation and upkeep of a publication containing requirements for material, equipment, construction, and other matters related to construction of Missouri's transportation infrastructure; however, in those cases where the Commission has adopted a specific policy, the provisions of the standard specifications will be in conformance therewith. This publication shall be made easily accessible to the public ~~via the Internet and such other means deemed by the Chief Engineer to be beneficial to the public and MoDOT business partners.~~

Effective Date: [November 6, 2019](#) ~~November 7, 2013~~
Supersedes Policy Dated: [November 7, 2013](#)
Last Reaffirmed:
Date of Origin: November 7, 2013
Related Commission Minutes: November 7, 2013 – Comprehensive Policy Review; [November 6, 2019 – comprehensive policy review](#).

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

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COMMISSION POLICY REVIEW – HIGHWAYS – CONSTRUCTION – CONTRACT AWARDS CATEGORY

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently operates under today. Since this initial action, some policies have been updated as necessary. As part of the Commission’s desire to periodically review Commission policies, the department and Commission have conducted a thorough review of the policies in the Highways-Construction-Contract Awards category. As a result of this review process, recommendations were made to reaffirm or reaffirm with updates the policies in the Highways-Construction-Contract Awards category. On behalf of the Director, Pamela J. Harlan, Secretary to the Commission, recommended the Highways-Construction-Contract Awards category of policies be revised as indicated with green text for new language, red strikethrough text for deleted language, blue strikethrough text that was deleted and moved, and purple text that was moved as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Awards

Related Statute: Section 227.100, RSMo 2000, as amended – Construction Bids

AWARD OF CONSTRUCTION CONTRACTS

Related Statute: ~~Section 227.100, RSMo 2000, as amended – Construction Bids~~

The Commission shall approve bids and award all roadway and bridge contracts, except as otherwise specifically designated by the Commission in subparagraphs a, b and c below. Commission awarded contracts may be executed by a member of the Executive Committee ~~the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.~~

- a. **Delegation of Contingent Authority:** The Director may approve and/or reject bids for all roadway and bridge contracts, after consultation with the Commission Chair, or the Vice-Chair if the Chair is unavailable, effective whenever the Commission lacks sufficient members for a statutory quorum of members, or the Commission has less than six statutory members and the incapacity of a member contributes to the Commission being unable to achieve a statutory quorum, for a regular monthly or specially scheduled meeting due to delays in the appointment and confirmation process for Commission members. This delegation of contingent authority exercised by the Director shall be subject to ratification by the Commission at the next regular monthly meeting a statutory quorum is attained.
- b. **Emergency Work:** ~~The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer,~~ A member of the Executive Committee and the respective District Engineer (any one) are authorized to award and execute contracts for emergency roadway, bridge, and/or other transportation facility repairs, structure demolition, and/or services necessary for the benefit of public safety. ~~The Commission shall ratify department approval of emergency work at the next Commission meeting. (The following text was part of the May 16, 2014 revised policy that was not included when the Commission revised the policy on January 14, 2015 it is being included for reference only as it is very similar to the previous sentence- All contracts for emergency construction work shall be presented to the Commission for ratification.)~~
- c. **Maintenance by Contract:** Bids for roadway maintenance work estimated in the amount of \$100,000 or less may be advertised and let through the Design Division. A member of the Executive Committee or ~~The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, and~~ the State Maintenance Engineer (any one) are authorized to determine the responsiveness of bids requested and award and execute roadway maintenance contracts in the amount of ~~\$2~~100, 000 or less.

Executive Committee

For purposes of this policy the term Executive Committee includes the individuals who fill the positions of Director, Deputy Director/Chief Engineer, Assistant Chief Engineer, Chief Safety and Operations Officer, Chief Administrative Officer, and Chief Financial Officer.

Effective Date: November 6, 2019 ~~January 14, 2015~~
 Supersedes Policy Dated: January 14, 2015 ~~May 16, 2014~~
 Last Reaffirmed: November 7, 2013
 Date of Origin: July 10, 2001; Emergency Work – January 13, 1989; Maintenance by Contract – October 6, 1995
 Related Commission Minutes: January 13, 1989 – EOD Comprehensive Update- Emergency Work; March 10, 1995 – Maintenance by Contract trial period; July 10, 2001- EOD Update; January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review. May 16, 2014 added delegation of contingent authority. January 14, 2015 authorized *award* and execution in an emergency; November 6, 2019 – Comprehensive Policy Review.
~~(Authority to sign Commission awarded contracts – EOD – July 10, 2001 first effective);
 (Emergency Work – January 13, 1989 – EOD Comprehensive Update first effective)
 (Maintenance by Contract – March 10, 1995 trial period; October 6, 1995 first effective)~~

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Awards

STAFF RECOMMENDATIONS ON BID AWARDS CONFIDENTIAL

Staff recommendations pertaining to the award of construction contracts will not be revealed to the public or media prior to the Commission meeting wherein the Commission will act thereon.

Effective Date: November 6, 2019 ~~November 7, 2013~~
 Supersedes Policy Dated: November 7, 2013
 Last Reaffirmed:
 Date of Origin: November 7, 2013

Related Commission Minutes: March 12, 1999; November 7, 2013 – Comprehensive Policy Review; [November 6, 2019 – Comprehensive Policy Review](#).

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

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COMMISSION POLICY REVIEW – HIGHWAYS – CONSTRUCTION – CONTRACT BOND CATEGORY

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently operates under today. Since this initial action, some policies have been updated as necessary. As part of the Commission’s desire to periodically review Commission policies, the department and Commission have conducted a thorough review of the policies in the Highways-Construction-Contract Bond category. As a result of this review process, recommendations were made to reaffirm or reaffirm with updates the policies in the Highways-Construction-Contract Bond category. On behalf of the Director, Pamela J. Harlan, Secretary to the Commission, recommended the Highways-Construction-Contract Bond category of policies be revised as indicated with green text for new language, red strikethrough text for deleted language, blue strikethrough text that was deleted and moved, and purple text that was moved as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Bond

BONDING COMPANIES

The Commission has discretion to determine acceptability of bonding companies; however, no bonding company will be acceptable to the Commission unless it appears in the United States Department of Treasury Circular 570 entitled, “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies.” No single bond will be allowed to exceed the underwriting limitations contained in Circular 570.

Effective Date: November 7, 2013
Supersedes Policy Dated: April 7, 1989
Last Reaffirmed: [November 6, 2019](#)
Date of Origin: April 7, 1989

Related Commission Minutes: Acceptable Bonding Companies - April 7, 1989 and Bonding Companies Disallowed-April 7, 1989; November 7, 2013 – Comprehensive Policy Review; [November 6, 2019 – comprehensive policy review](#).

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Bond

Related Statute: Section 107.170.2 RSMo – Bond – public works contractor.
Section 227.100.4 RSMo – Performance Bonds
Section 227.103 RSMo – Annual bid bond for construction and maintenance projects authorized – Commission authorized to promulgate rules.

CONTRACT BOND REQUIREMENT

~~**Related Statute:** Section 107.170.2 RSMo – Bond – public works contractor.
Section 227.100.4 RSMo – Performance Bonds
Section 227.103 RSMo – Annual bid bond for construction and maintenance projects authorized – Commission authorized to promulgate rules. (2008)~~

State legislation effective July 9, 1925, instructed all commissions making contracts for public work of any kind to be performed for the State to require every contractor for such work to execute a bond to the State with good and sufficient sureties.

From and after July 9, 1925, all bonds covering contracts for the construction of state highways accepted by this Commission shall be in the form and manner required by Section 107.170, RSMo ~~2000~~, as revised. The form of contract bond to be accepted on contracts covering said projects shall be as provided in the contract document.

Effective Date: [November 6, 2019](#) ~~November 7, 2013~~
Supersedes Policy Dated: [November 7, 2013](#) ~~June 16, 1925~~
Last Reaffirmed:
Date of Origin: June 16, 1925
Related Commission Minutes: June 16, 1925; November 7, 2013 – Comprehensive Policy Review; [November 6, 2019 – Comprehensive Policy Review](#).

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

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COMMISSION POLICY REVIEW – HIGHWAYS – CONSTRUCTION – CONTRACTOR DISQUALIFICATION CATEGORY

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently operates under today. Since this initial action, some policies have been updated as necessary. As part of the Commission’s desire to periodically review Commission policies, the department and Commission

have conducted a thorough review of the policies in the Highways-Construction-Contractor Disqualification category. As a result of this review process, recommendations were made to reaffirm or reaffirm with updates the policies in the Highways-Construction-Contractor Disqualification category. On behalf of the Director, Pamela J. Harlan, Secretary to the Commission, recommended the Highways-Construction-Contractor Disqualification category of policies be revised as indicated with green text for new language, red strikethrough text for deleted language, blue strikethrough text that was deleted and moved, and purple text that was moved as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contractor Disqualification

CONTRACTOR DISQUALIFICATION REQUIRES COMMISSION ACTION

The Deputy Director/Chief Engineer shall present the proposed recommendations and findings regarding the disqualification of the contractor to the Commission. The Commission shall act on the proposed findings and recommendations as it deems appropriate under the circumstances, based on the record consisting of the written recommendations of the Division Engineer or Director, the written findings and recommendations, and the written appeal of the contractor. No hearing shall be held by or for the Commission on the findings and recommendations. The Commission shall affirm, reject, modify, or remand the findings and recommendations.

Effective Date: November 6, 2019 ~~March 6, 1997~~
Supersedes Policy Dated: March 6, 1997
Last Reaffirmed: November 7, 2013
Date of Origin: March 6, 1997 – Final rules adopted.
Related Commission Minutes: December 5, 1996; March 6, 1997 – Administrative Rules; November 7, 2013 – Comprehensive Policy Review; November 6, 2019 – Comprehensive Policy Review.

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contractor Disqualification

Related Rule: 7 CSR 10-18 – Contractor Disqualification for Misconduct

CONTRACTOR DISQUALIFICATION FOR MISCONDUCT – RULES AND REGULATIONS

Related Rule: ~~7 CSR 10-18 – Contractor Disqualification for Misconduct~~

Contractor Disqualification for Misconduct will be in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 18, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 6, 2019 ~~March 6, 1997~~
Supersedes Policy Dated: March 6, 1997

Last Reaffirmed: November 7, 2013
Date of Origin: March 6, 1997 – Final rules adopted.
Related Commission Minutes: December 5, 1996; March 6, 1997 – Administrative Rules; November 7, 2013 – Comprehensive Policy Review; February 7, 2018 final orders of rulemaking approved effective on May 30, 2018; November 6, 2019 – Comprehensive Policy Review.

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

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COMMISSION POLICY REVIEW – HIGHWAYS – CONSTRUCTION – CONTRACTOR PREQUALIFICATION CATEGORY

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently operates under today. Since this initial action, some policies have been updated as necessary. As part of the Commission’s desire to periodically review Commission policies, the department and Commission have conducted a thorough review of the policies in the Highways-Construction-Contractor Prequalification category. As a result of this review process, recommendations were made to reaffirm or reaffirm with updates the policies in the Highways-Construction-Contractor Prequalification category. On behalf of the Director, Pamela J. Harlan, Secretary to the Commission, recommended the Highways-Construction-Contractor Prequalification category of policies be revised as indicated with green text for new language, red strikethrough text for deleted language, blue strikethrough text that was deleted and moved, and purple text that was moved as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contractor Prequalification

Related Statute: Section 227.105, RSMo

Related Rule: 7 CSR 10-10, Contractor Performance Rating to Determine Responsibility

The Commission has historically taken its responsibility to ensure that low bidders on highway construction projects will be able to provide a quality product within a reasonable period of time. Over the years, various prequalification measures were put in place that would limit both the construction firm’s ability to bid and the amount of work it could undertake. On January 13, 1989, the Commission agreed with the staff to develop a

formal method to review and rate a contractor's performance. This rating system would, in turn, be used to recognize contractors with exceptional performance and disqualify contractors for unsatisfactory performance.

CONTRACTOR PERFORMANCE TO DETERMINE RESPONSIBILITY – RULES AND REGULATIONS

~~Related Rule: 7 CSR 10-10, Contractor Performance Rating to Determine Responsibility~~

Contractor performance to determine responsibility will be in keeping with [Section 227.105, RSMo](#) and Code of State Regulations, Title 7, Division 10, Chapter 10, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: [November 6, 2019](#) ~~April 7, 2007 – Final rules adopted.~~
Supersedes Policy Dated: [April 7, 2007 – Final rules adopted](#) ~~March 7, 2003 – Final rules adopted.~~
Last Reaffirmed: November 7, 2013
Date of Origin: April 4, 1991 – First final rules adopted.
Related Commission Minutes: January 13, 1989; First rules filed December 7, 1990; rules filed April 11, 2007; November 7, 2013 – Comprehensive Policy Review; [November 6, 2019 – comprehensive policy review.](#)

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contractor Prequalification

Related Statute: [Section 227.105 RSMo – Prequalification of contractors for projects exceeding \\$2 million](#)

Related Rules: [7 CSR 10-15, Contractor Prequalification](#)

CONTRACTOR PREQUALIFICATION – PROJECTS EXCEEDING \$2 MILLION – RULES AND REGULATIONS

~~Related Statute: Section 227.105 RSMo 2000 – Prequalification of contractors for projects exceeding \$2 million. (1996)~~

~~Related Rules: 7 CSR 10-15, Contractor Prequalification~~

Contractor prequalification to bid on projects exceeding \$2 million will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 15, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 8, 1996 – Final rules adopted.
Supersedes Policy Dated:
Last Reaffirmed: [November 6, 2019](#) ~~November 7, 2013~~
Date of Origin: November 8, 1996 – Final rules adopted.
Related Commission Minutes: August 9, 1996; November 8, 1996; November 7, 2013 – Comprehensive Policy Review.

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

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COMMISSION POLICY REVIEW – HIGHWAYS – CONSTRUCTION – PROJECT SIZE AND PHASE CATEGORY

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently operates under today. Since this initial action, some policies have been updated as necessary. As part of the Commission’s desire to periodically review Commission policies, the department and Commission have conducted a thorough review of the policies in the Highways-Construction-Project Size and Phase category. As a result of this review process, recommendations were made to reaffirm or reaffirm with updates the policies in the Highways-Construction-Project Size and Phase category. On behalf of the Director, Pamela J. Harlan, Secretary to the Commission, recommended the Highways-Construction-Project Size and Phase category of policies be revised as indicated with green text for new language, red strikethrough text for deleted language, blue strikethrough text that was deleted and moved, and purple text that was moved as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Project Size and Phase

Prior to 2002, for those projects longer than ten miles, Section 227.100 RSMo required bids to be taken in ten-mile sections, as well as the project as a whole, to ensure the most economical construction.

DEPUTY DIRECTOR/CHIEF ENGINEER AUTHORIZED TO DETERMINE PROJECT LENGTH AND PHASE

The Deputy Director/Chief Engineer is authorized to divide construction projects by length and by phase of work to allow greater competition and take best advantage of federal highway dollars available highway and bridge funding.

Effective Date: November 6, 2019 ~~July 10, 1992~~
Supersedes Policy Dated: July 10, 1992 ~~October 7, 1988~~
Last Reaffirmed: November 7, 2013
Date of Origin: October 8-9, 1951 (Phase)
Related Commission Minutes: October 8-9, 1951; October 7, 1988; July 10, 1992; November 7, 2013 – Comprehensive Policy Review; November 6, 2019 – comprehensive policy review.

Category: HIGHWAYS
Subcategory: Construction

Sub-Subcategory: Project Size and Phase

Related Statute: Section 227.107, RSMo – Design-Build Contracts

Related Rule: 7 CSR 10-24 – Design-Build Contract Projects

DESIGN-BUILD PROJECTS

Legislation was enacted in 2004² allowing the Design-Build contracting process to be used for a MoDOT project. The first project using this process was the I-64 Reconstruction project in St. Louis, which was completed in 3-1/2 years at a cost of \$523 million. The project came in \$12 million under budget and three months ahead of schedule. The project involved a joint venture of three prime contractors and one main design company cooperatively bidding under the name of Gateway Constructors. The contractors’ innovative approach included the complete closure of two five-mile sections of I-64 with each section closed for one full year. Had the project been built using the normal process it would have taken six to ten years to complete with constant construction impacts and inconvenience to motorists. *Since the first project many more design-build projects have been accomplished and this process has been used routinely.* Legislation limits the use of design-build to two percent of the total number of all state highway system projects listed in the Commission approved Statewide Transportation Improvement Program for that state fiscal year. ~~The design-build statutory provisions sunset in 2018.~~

DESIGN-BUILD PROJECTS – RULES AND REGULATIONS

~~**Related Statute:** Section 227.107, RSMo Supp 2004 – Design-Build Contracts~~

~~**Related Statute:** Section 227.107, RSMo Supp 2004 – Design-Build Contracts
7-CRS 10-24 – Design-Build Contract Projects~~

Projects involving the design-build concept will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 24, *Design-Build Contract Projects*, adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: November 6, 2019 ~~November 9, 2005 – Final rules adopted.~~
Supersedes Policy Dated: November 9, 2005 – Final rules adopted.
Last Reaffirmed: November 7, 2013
Date of Origin: November 9, 2005 – Final rules adopted.

Related Commission Minutes: August 12, 2005; October 24, 2005; November 9, 2005; Legislative extension of sunset - July 13, 2011; November 7, 2013 – Comprehensive Policy Review; *November 6, 2019 – Comprehensive Policy Review.*

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

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COMMISSION POLICY REVIEW – HIGHWAYS – CONSTRUCTION – TECHNICIAN CERTIFICATION CATEGORY

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently

operates under today. Since this initial action, some policies have been updated as necessary. As part of the Commission’s desire to periodically review Commission policies, the department and Commission have conducted a thorough review of the policies in the Highways-Construction-Technician Certification category. As a result of this review process, recommendations were made to reaffirm or reaffirm with updates the policies in the Highways-Construction-Technician Certification category. On behalf of the Director, Pamela J. Harlan, Secretary to the Commission, recommended the Highways-Construction-Technician Certification category of policies be revised as indicated with green text for new language, red strikethrough text for deleted language, blue strikethrough text that was deleted and moved, and purple text that was moved as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Technician Certification Program

Related Rules: 7 CSR 10-23, Technician Certification Program
Code of Federal Regulations, Title 23, Ch. 1, Part 637

TECHNICIAN CERTIFICATION PROGRAM – RULES AND REGULATIONS

~~Related Rule: 7 CSR 10 23, Technician Certification Program
Code of Federal Regulations, Title 23, Ch. 1, Part 637~~

The manner in which individuals may become certified or recertified as qualified sampling and testing technicians as required by federal regulations at Title 23 Code of Federal Regulations, Ch. 1, Part 637, will be in keeping with Code of State Regulations, Title 7, Division 10, Chapter 23, *Technician Certification Program*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: March 4, 2009 – Final rules adopted.
Supersedes Policy Dated: September 6, 2002 – Final rules adopted.
Last Reaffirmed: November 6, 2019 ~~November 7, 2013~~
Date of Origin: September 6, 2002 – Final rules adopted.

Related Commission Minutes: Administrative Rules: May 3, 2002; September 6, 2002; November 7, 2008; March 4, 2009; November 7, 2013 – Comprehensive Policy Review; [November 6, 2019 – comprehensive policy review.](#)

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

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BUSINESS ISSUES

CITY OF BRANSON WEST – BRANSON WEST MUNICIPAL AIRPORT, STATE TRANSPORTATION ASSISTANCE REVOLING LOAN REQUEST

On behalf of the Director, Todd Grosvenor, Financial Services Director, and Michelle Kratzer, Multimodal Operations Director, presented to the Commission the City of Branson West-Branson West Municipal Airport State Transportation Assistance Revolving (STAR) fund loan request to finance an airport improvement project at the Branson West Municipal Airport. The project constructs four T-hangars, two clear span box hangars and a new access taxi lane.

The STAR fund loan would not exceed \$680,000 with a fixed interest rate of 1.66 percent for a term of ten years. The City of Branson West will make semi-annual principal and interest payments on September 1 and March 1 of each year, beginning on September 1, 2020 through March 1, 2030. The City pledges to repay the loan from revenues generated by its one-half cent transportation sales tax (no sunset). The City also pledges its hangar rental income to augment any unexpected shortfalls. The loan was reviewed and approved by the Cost Share Committee, consisting of the Deputy Director/Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, Interim Chief Administration Officer and Governmental Relations Director on September 26, 2019.

Via approval of the consent agenda, the Commission unanimously approved the City of Branson West’s STAR fund loan request described above and authorized the execution of the loan agreement pursuant to the Commission’s policy.

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CITY OF ROLLA – ROLLA NATIONAL AIRPORT, STATE TRANSPORTATION ASSISTANCE REVOLING LOAN REQUEST

On behalf of the Director, Todd Grosvenor, Financial Services Director, and Michelle Kratzer, Multimodal Operations Director, presented to the Commission the City of Rolla-Rolla National Airport State Transportation Assistance Revolving (STAR) fund loan request to finance an airport improvement

project at the Rolla National Airport. The project rehabilitates a runway with full depth reclamation and crack repairs and shoulder grading to improve the runway safety area.

The STAR fund loan would not exceed \$162,693 with a fixed interest rate of 1.20 percent for a term of five years. The City of Rolla will make annual principal and interest payments on November 1 of each year, beginning on November 1, 2020 through November 1, 2024. The City pledges to repay the loan from revenues generated from fuel sales and leases. The City also pledges its one-half cent transportation sales tax (no sunset) and one-half cent capital improvement sales tax (no sunset) to augment any unexpected shortfalls. The loan was reviewed and approved by the Cost Share Committee, consisting of the Deputy Director/Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, Interim Chief Administration Officer, and Governmental Relations Director on September 26, 2019.

Via approval of the consent agenda, the Commission unanimously approved the City of Rolla's STAR fund loan request described above and authorized the execution of the loan agreement pursuant to the Commission's policy.

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MEDICAL AND LIFE INSURANCE PLAN: APPOINTMENT OF BOARD MEMBER

On behalf of the Director, Ashley Halford, Medical and Life Insurance Plan Board Chairman, recommended approval of the appointment of Jeffery Padgett as a Missouri Department of Transportation (MoDOT) retired employee representative, for a term ending November 2025 or until a successor is named. Roger Schwartze previously filled this position and served as a member of the board since November 2013. Mr. Padgett's appointment has been recommended by Patrick McKenna, Director of MoDOT. The Commission established and approved guidelines for a self-insured Medical and Life Insurance Plan for employees of the Department and the State Highway Patrol on November 9, 1977. The guidelines established a board of trustees to manage the operations of the Plan. Potential board members

and the board chairman are recommended by either the Department Director or the State Highway Patrol Superintendent and are subject to Commission approval.

Via approval of the consent agenda, the Commission unanimously approved the appointment of Jeffery Padgett as a Missouri Department of Transportation retired employee representative for a term ending November 2025 or until a successor is named.

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STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)
CONSIDERATION OF BIDS FOR TRANSPORTATION IMPROVEMENTS

On behalf of the Director, Travis Koestner, State Design Engineer, presented the following recommendations pertaining to bids received on federal-aid and state highway and bridge projects during the past month.

Mr. Koestner recommended (1) Award of contracts to the lowest responsive bidders for bids received at the October 18, 2019, letting, as recommended and noted in Table I below; (2) Rejection of Calls A02, A04, F02, and H01 due to excessive bids per Section 102.15 of the Missouri Standard Specifications for Highway Construction, as recommended and noted in Table II below; and (3) Award of contract to the lowest responsive bidder for bids received at the October 8, 2019 letting by St. Charles County, as recommended and noted in Table III below.

Table I
Award of Contracts
October 18, 2019, Bid Opening

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A01	116	Clinton	J1P1043	\$537,427.03	\$0.00	Herzog Contracting Corp.	Resurface
A03	36	Caldwell	J1P3165	\$3,735,382.19	\$0.00	Magruder Paving, LLC	Coldmill and Resurface
A05	46	Nodaway, Worth	J1S3172	\$3,975,442.88	\$0.00	Herzog Contracting Corp.	Resurface and Shoulder Improvements
A06	129	Putnam	J1S3227	\$916,663.38	\$0.00	W. L. Miller Company	Resurface

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
B01	15	Audrain, Monroe	J2P3202	\$2,437,099.47	\$0.00	Emery Sapp & Sons, Inc.	Seal Coat
	KK	Audrain	J2S3289				
	151	Audrain, Boone, Monroe, Shelby	J2S3297				
	15	Monroe	J2P3345				Resurface
B04	94	Montgomery, Warren	J2S3178	\$1,742,000.00	\$0.00	Pace Construction Company	Resurface
C01	W	Johnson	J3S3160	\$1,006,063.94	\$0.00	Capital Paving & Construction, LLC	Resurface
C02	7	Jackson	J4S3210	\$2,019,473.22	\$0.00	Ideker, Inc.	Coldmill, Resurface, ADA Improvements
D01 and D09	Various	Boone, Callaway	J5M0290	\$3,269,699.18	\$0.00	Christensen Construction Co.	Resurface
	BB	Callaway	J5S3245				
D03*	54	Miller	J5P3181	\$9,711,377.55	\$858.08	Emery Sapp & Sons, Inc.	Grading, Pavement and 2 Bridges
D04^	49	Crawford	J5P3241	\$1,409,119.51	\$0.00	Joe's Bridge & Grading, Inc.	Bridge Replacement
D05^	D	Callaway	J5S3234	\$1,575,022.17	\$0.00	Emery Sapp & Sons, Inc.	Bridge Replacement
D06	19	Crawford, Dent	J5S3278	\$2,612,000.00	\$0.00	Blevins Asphalt Construction Company, Inc.	Seal Coat
	Various	Dent, Phelps	J5S3383				
D07	P	Osage	J5S3392	\$2,251,676.12	\$0.00	Emery Sapp & Sons, Inc.	Resurface
	T	Maries, Osage	J5S3279				Resurface and ADA Improvements
D08^	CC	Moniteau	J5S3288	\$849,329.75	\$0.00	Gene Haile Excavating, Inc.	Bridge Replacement and Bridge Rehabilitation
F03	Various	Various	J6Q3172E	\$919,136.73	\$98,226.44	Gerstner Electric, Inc.	ITS Improvement
F04^	30	Jefferson	J6S1908	\$3,017,750.70	\$12,000.00	Gershenson Construction Co., Inc.	Bridge Removals and Box Culvert Replacement
F06	180	St Louis City	J6S3229	\$1,751,000.00	\$0.00	N.B. West Contracting Company	Coldmill and Resurface
F07	I-70 SOR	St Charles	J6S3396	\$1,184,042.41	\$0.00	Magruder Paving, LLC	Coldmill and Resurface
G01	I-44	Greene	J7I3201	\$6,886,990.38	\$0.00	Leo Journagan Construction Co., Inc.	Coldmill and Resurface
			J8I3120				
G02	65, 360, & 60	Christian, Greene	J8P3069B	\$1,100,655.04	\$0.00	James H. Drew Corporation	Sign Improvements

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
	Various	Various	J7P3422				
	Various	Stone, Taney	J8O2373C				
G03	BB	Benton	J7S3230	\$2,665,288.02	\$0.00	Capital Paving & Construction, LLC	Resurface
	B		J7S3408				
	M		J7S3232				
G04^	Various	Benton	J7S3369	\$549,574.65	\$0.00	Widel, Inc.	4 Bridge Rehabilitations
G05	I-49	Barton, Jasper	J7I3083	\$10,765,167.60	\$0.00	Blevins Asphalt Construction Company, Inc.	Coldmill and Resurface
H02^	38	Wright	J9S3384	\$716,823.00	\$0.00	Lehman Construction, LLC	Bridge Replacement
H03	Z	Ste Genevieve	J9S3397	\$1,471,364.66	\$0.00	Apex Paving Co.	Resurface and Bridge Rehabilitation
	A	Cape Girardeau	J9S3400				Resurface
H04	K	St Francois	J9S3527	\$4,589,414.37	\$0.00	H.R. Quadri Contractors, LLC	Add Shoulders and Rumble Stripes
	H		J9S3518				
	NN		J9S3554				
	AA		J9S3555				
	B	Perry	J9S3594				
	B		J9S3519				
			TOTAL:	\$73,664,983.95	\$111,084.52		

^ Focus On Bridges Program

* Call D03 – Funding by Lake of the Ozarks – \$115,694.00

**Table II
Rejection of Bids
October 18, 2019, Bid Opening**

Call No.	Route	County	Job No.	Description
A02*	6	Grundy	J1P3144	Resurface and ADA Improvements
A04	D, FF	Sullivan	J1S3243	Pavement, Drainage, and ADA Improvements
	6		J1P3239	
F02	I-70	St. Louis City	J6I3257	Coldmill and Resurface
H01**	51	Perry	J9P3585	Bridge Rehabilitation

* Call A02 – Funding by City of Trenton – \$312,155.67

** Call H01 – Funding by Bi-Statement Agreement Illinois – 50/50 Split

**Table III
Award of Contract
October 8, 2019, St. Charles Bid Opening***

Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
364	St. Charles	J6P3350	\$5,150,309.59	\$0.00	JM Marschuetz	Interchange Improvements
		TOTAL:	\$5,150,309.59	\$0.00		

* Funding by MoDOT – \$2,900,000.00

Commission Consideration and Action

After consideration, and upon motion by Commissioner Smith, seconded by Commissioner Waters, the Commission took the following action with abstentions noted below:

1. Awarded contracts to the lowest responsive bidders for bids received at the October 18, 2019, bid opening, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.
2. Rejected bids for Calls A02, A04, F02, and H01 due to excessive bids per Section 102.15 of the Missouri Standard Specifications for Highway Construction, as recommended and noted in Table II above.
3. Awarded contracts to the lowest responsive bidders for bids received at the St. Charles County October 8, 2019, bid opening, as recommended and noted in Table III above. Non-contractual costs for these projects are shown on the above tabulation.
4. Authorized the Director, Deputy Director/Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the contracts awarded above.

Commissioner Smith abstained from voting on Call G04. Commissioner Brinkmann abstained from voting on Call G09.

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2020-2024 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENT

On behalf of the Director, Ed Hassinger, Deputy Director/Chief Engineer, requested approval to revise the 2020-2024 Statewide Transportation Improvement Program (STIP) that was approved in July 2019, for the implementation of six highway and bridge projects as noted in Table I below.

**Table I
2020 – 2024 STIP
Highway and Bridge Construction Schedule
November Amendment
Project Changes**

District County Job No.	Route	Description of Improvement/Location	Tentative Award State Fiscal Year and Change by Type	Change in Construction and Right of Way Funds (Dollars in Thousands)	Change in Engineering Funds (Dollars in Thousands)
NW Clinton J1I3016	IS 35	Pavement repair and resurfacing from DeKalb County line to Shoal Creek near Cameron.	2020 CN	\$1,893	\$129
NW Clinton J1I3018	IS 35	Pavement repair and resurfacing from north of Route 116 to Clay County line near Holt.	2020 CN	\$1,799	\$124
NE Montgomery J2I3226	IS 70	Bridge replacement over Loutre River Overflow and Loutre River 2.2 miles west of Route 161 near Danville. Design-Build project.	2020 CN	-\$183	\$0
NE Montgomery J2I3226B	IS 70	Add eastbound and westbound climbing lanes, replace westbound bridge over Loutre River Overflow from 1.1 miles east of Route N to 0.3 mile west of Route 161 near Mineola. Design-Build.	2020 CN	\$8,787	\$176
SL St. Charles J6P3512	MO 94	Payback to Missouri American Water for prior utility relocation reimbursement for projects.	2020 CN	\$542	\$0
SL St. Charles J6S3508	CST OLD HWY N	Payment to Lake St. Louis for pavement resurfacing and to add turn lanes, pedestrian facilities and lighting from Hawk Ridge Trail to Sommers Road.	2021 CN	\$460	\$15
			Total:	\$13,298	\$444

Via approval of the consent agenda, the Commission unanimously approved the amendments to the 2020-2024 STIP as noted in the tabulations above.

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REPORT AND RECOMMENDATION REGARDING THE FIXING ACCESS TO RURAL MISSOURI (FARM) BRIDGE PACKAGE IN THE NORTHWEST AND NORTHEAST DISTRICTS, INCLUDING AUTHORITY FOR DESIGN-BUILD DELEGATION OF AUTHORITY

On behalf of the Director, Chris Redline, Northwest District Engineer, and Paula Gough, Northeast District Engineer, recommended the Commission approve the Fixing Access to Rural Missouri (FARM) Bridge Package in the Northwest and Northeast Districts as a design-build project and approve authority be delegated to the Deputy Director/Chief Engineer or his designee to approve and execute documents and expend funds on behalf of the Missouri Highways and Transportation Commission for the following items on the Fixing Access to Rural Missouri (FARM) Bridge Package in the Northwest and Northeast Districts Design-Build Project:

- **Escrow of Bid Documents** – Approve authority to execute agreements, affidavits, and related documents and expend funds for costs associated with the escrow of bid documents on the project.
- **Agreements** – Approve authority to execute agreements with local governments including other entities for cost-share, enhancements, use of property, environmental mitigations, utilities, etc., on the project, subject to approval as to form by the Chief Counsel’s Office (CCO) and the Commission Secretary’s (CS) attestation.
- **Railroad Agreements** – Approve authority to execute agreements pertaining to railroads, subject to approval as to form by CCO and CS attestation.
- **Construction Change Orders** – Approve authority to approve construction change orders on the project.
- **Consultant Engineering Services** – Approve authority to execute contracts for engineering services needed subject to approval as to form by CCO and CS attestation and in keeping with the Brooks Act, 40 USC 1101 et seq. and 23 CFR 172.5 as well as Section 8.285 RSMo.
- **Other** – Approve authority to expend funds for the project, as well as approve, execute, sign, and seal project specific documents.
- **Design Exceptions** – Approve authority to sign design exceptions specific to the design of the project currently delegated to the State Design Engineer and the State Bridge Engineer, subject to consultation with the department’s technical experts.

Project changes resulting from this delegation will not exceed the cap of two percent over the programmed cost or those changes will be taken back to the Commission. The Fixing Access to Rural Missouri (FARM) Bridge Package in the Northwest and Northeast Districts setting of project goals, funding and schedule will begin November 2019. Funds for this project are from a grant amount of \$20.7 million and a state match of \$5.18 million that will be included in the upcoming Statewide Transportation

Improvement Program. The project is estimated at \$25.9 million total for right of way, utility relocation, and the design-build contract. Via approval of the consent agenda, the Commission unanimously approved the delegation of authority as recommended and noted above.

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REPORT AND RECOMMENDATIONS REGARDING THE US 169, BUCK O’NEIL BRIDGE PROJECT IN JACKSON AND CLAY COUNTIES, INCLUDING AUTHORITY FOR DESIGN-BUILD DELEGATION OF AUTHORITY

On behalf of the Director, David Silvester, Kansas City District Engineer, recommended the Commission approve the US 169, Buck O’Neil Bridge Project in Jackson and Clay Counties as a design-build project and approve authority be delegated to the Deputy Director/Chief Engineer or his designee to approve and execute documents and expend funds on behalf of the Missouri Highways and Transportation Commission for the following items on the US 169, Buck O’Neil Bridge Design-Build Project:

- **Escrow of Bid Documents** – Approve authority to execute agreements, affidavits, and related documents and expend funds for costs associated with the escrow of bid documents on the project.
- **Agreements** – Approve authority to execute agreements with local governments including other entities for cost-share, enhancements, use of property, environmental mitigations, utilities, etc., on the project, subject to approval as to form by the Chief Counsel’s Office (CCO) and the Commission Secretary’s (CS) attestation.
- **Railroad Agreements** – Approve authority to execute agreements pertaining to railroads, subject to approval as to form by CCO and CS attestation.
- **Construction Change Orders** – Approve authority to approve construction change orders on the project.
- **Consultant Engineering Services** – Approve authority to execute contracts for engineering services needed subject to approval as to form by CCO and CS attestation and in keeping with the Brooks Act, 40 USC 1101 et seq. and 23 CFR 172.5 as well as Section 8.285 RSMo.
- **Other** – Approve authority to expend funds for the project, as well as approve, execute, sign, and seal project specific documents.
- **Design Exceptions** – Approve authority to sign design exceptions specific to the design of the project currently delegated to the State Design Engineer and the State Bridge Engineer, subject to consultation with the department’s technical experts.

Project changes resulting from this delegation will not exceed the cap of two percent over the programmed cost or those changes will be taken back to the Commission. The US 169, Buck O’Neil Bridge Project setting of project goals and establishing a project schedule will begin December 2019.

Funds for this project are included in the Statewide Transportation Improvement Program. The City of Kansas City has also committed funds for the project as well as a BUILD grant award. The project is estimated at \$230 to \$250 million total for right of way, utility relocation, and the design-build contract. Via approval of the consent agenda, the Commission unanimously approved the delegation of authority as recommended and noted above.

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APPROVAL OF PLANS FOR CONDEMNATION

On behalf of the Director, Travis Koestner, State Design Engineer, recommended the Commission approve the following detailed project plans, approved by the Deputy Director/Chief Engineer, for filing as necessary for the condemnation of right of way.

<u>County</u>	<u>Route</u>	<u>Job Number</u>
Clay	1	J4S3205
Jackson	7	J4S3167
Jackson	H	J4P3212

In accordance with Section 227.050 RSMo, the Commission via approval of the consent agenda, approved the detailed project plans for the above noted projects and directed they be filed as necessary for the condemnation of right of way.

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-- **REPORTS** --

REPORTS

The Commission received the following written reports.

MODOT BRIEFING REPORT

Patrick McKenna, Director, provided to the Commission the written monthly Issue Briefs that are sent from the department to the Governor since the previous MoDOT Briefing Report. There were two briefing reports for the past month.

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**FINANCIAL – BUDGET – REPORTS
YEAR-TO-DATE FINANCIAL REPORT, PERIOD ENDING SEPTEMBER 30, 2019**

Todd Grosvenor, Financial Services Director, submitted a written financial report for fiscal year to date September 30, 2019, with budget and prior year comparisons.

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CONSULTANT SERVICES CONTRACT REPORT (AUGUST)

Travis Koestner, State Design Engineer, submitted a written report of consultant contracts executed in the month of August 2019, for both engineering and non-engineering related projects. The department utilizes consultants to efficiently manage workload and provide specialized expertise to supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. There were 362 active contracts held by individual engineering consultant firms prior to August 1, 2019. Nine engineering consultant services contracts were executed in August 2019, for a total of \$3,950,914. There were no new non-engineering consultant contracts executed in August 2019.

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CONSULTANT SERVICES CONTRACT REPORT (SEPTEMBER)

Travis Koestner, State Design Engineer, submitted a written report of consultant contracts executed in the month of September 2019, for both engineering and non-engineering related projects. The department utilizes consultants to efficiently manage workload and provide specialized expertise to supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. There were 389 active contracts held by individual engineering consultant firms prior to September 1, 2019. Nine engineering consultant services contracts were executed in September 2019, for a total of \$660,416. There were no new non-engineering consultant contracts executed in September 2019.

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By unanimous consensus of all members present, the meeting of the Commission adjourned.

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The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

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