



Site/Infrastructure Planning

Project Development
and Financing

Client

State Highway and
Transportation Department

Location

New Mexico, USA

State Highway 44 Reconstruction and Expansion

Project Highlights

- Design-build improvements to 120 miles of rural state highway
- Extensive customization of design-build delivery mechanisms that conformed to state statutes
- 20-year warranty on the completed highway, a first-of-its-kind in the U.S.
- Public-private partnership, a first-of-its-kind in the U.S.

Project Description

CH2M HILL worked with two other firms to provide financing, design, construction management, and an extended warranty for improvement to the New Mexico State Highway 44 corridor, northwest of Albuquerque. The project involved the reconstruction of 120 miles of a two-lane state highway between Bernalillo and Bloomfield to a four-lane facility.



The contracting company, Mesa Project Development contractor (PDC), is a company owned by the Performance Roads Division of Koch Industries. CH2M HILL served as the lead design firm and construction management was provided by Flatiron Structures Company.

With this project, the state of New Mexico set new standards for high quality road construction. The New Mexico State Highway and Transportation Department (SHTD), and the Federal Highway Administration took the project from a concept to a reality in only 15 months. The SHTD initially envisioned the project as a design-build contract, but was unable to use this contracting mechanism due to New Mexico State Statutes. Rather than give up and delay construction, CH2M HILL assisted the SHTD in taking the best elements of design-build project delivery, added financing and warranty components, and produced a new contracting mechanism that worked within state statutes.

The contract resulted in a first-of-its-kind project in the country used a public, private partnership. The contract provided many benefits for the state, including funding development and construction costs through Bond Anticipation Notes (BAN) issued by the state. The BANs are secured by a pledge from the State of all FHWA funds designated for the projects.

A second unique feature of the project is a 20-year warranty on the completed highway, another first-of-its-kind in the country. In addition to the 20-year pavement warranty, it includes an extended limited 10-year warranty on bridges and drainage structures. State officials have said this long-term warranty is expected to save taxpayers \$89 million over the next 20 years.

Several unique features, including strong government support, and a first-of-its-kind contract for the transportation industry made this project highly visible. The project was strongly supported and made the highest priority transportation improvement by the state government for its safety



and economic enhancement objectives. The project significantly improved the safety of NM 44, and is projected to reduce fatalities and serious injuries by 40 percent.

The project creates economic development opportunities in northwestern New Mexico by making travel easier for New Mexicans and tourists who drive to and from the Four Corners area. In addition to recreational areas, this is also a major freight corridor within the southwestern U.S.; the improvements have resulted in faster travel times as well as increased safety.