

HB 846 -- Design-Build Project Contracts for Neighborhood
Improvement Districts

Sponsor: Wieland

This bill authorizes the governing body of any city or county to enter into design-build contracts for neighborhood improvement districts. When using a design-build contract, the governing body must establish a written procedure by rule for prequalifying design-builders before the design-builders will be allowed to make a proposal on the project.

The design-builder is required to provide bid, performance, and payment bonds or letters of credit in the terms, durations, and amounts and on forms as the governing body determines to be adequate for its protection and provided by an authorized surety. The performance and payment bonds for the construction period specified in the contract must be equal to a reasonable estimate of the total cost of the construction work. However, if the governing body determines in writing supported by specific findings that the total cost estimate for the payment bond is impractical, the governing body is authorized to establish the amount within certain specified limits.

Once the contract is awarded, the amount of the performance bonds and any other required security will be a public record. The governing body will make all final decisions regarding the performance of the work under the contract including any claims for additional time and compensation.