

HB 844 -- CONSTRUCTION MANAGEMENT

SPONSOR: Hough

This bill repeals the prohibition against a construction manager awarded a construction management services contract or any construction firm affiliated with the construction manager bidding on or performing the actual construction on a public works project but requires the construction manager to submit a sealed bid in the same manner as a trade contractor. The bill provides that only those successful bidders that contract directly with the public owner must provide payment and performance bonds to the public owner. The bill also repeals the requirement that a construction management services contract must be let by competitive bidding if the construction manager or any construction firm affiliated with the construction manager guarantees or otherwise assumes financial responsibility for the work of others on the project, provides a guaranteed maximum price for the work of others, or furnishes or provides a performance or payment bond for the other contractors on the project. Construction management services may be awarded by a public owner on a negotiated basis.

The bill also authorizes political subdivisions to enter into design-build contracts for construction projects exceeding \$1 million. In its main provisions, the bill:

- (1) Establishes design-build contract procedures;
- (2) Requires the political subdivision to adopt procedures for requesting proposals and evaluating and awarding contracts from a minimum of three and a maximum of five pre-qualified design-builders;
- (3) Requires that separate proposals be submitted for design-builder qualifications and the cost of design and construction. The qualifications proposal must be opened and ranked before the cost proposal;
- (4) Requires a political subdivision to award stipends to prequalified offerors under conditions set out in the bill;
- (5) Establishes advertising requirements and procedures for submitting and opening proposals and for re-advertising when necessary;
- (6) Specifies that payment bonds are required, but the performance bond does not need to cover design services if the design-builder or subcontractor providing design services carries professional liability insurance in the amount established in the request for

proposal;

(7) Requires architects, engineers, landscape architects, and land surveyors performing services for the design-builder to be licensed or authorized under statute, unless the subcontractors performing the services are properly licensed; and

(8) Requires the political subdivision planning a design-build project to retain an architect or engineer.