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[HF 2301](#) – Competitive Bidding (LSB5196HV)

Analyst: Adam Broich (515.281.8223) [adam.broich@legis.iowa.gov](mailto:adam.broich@legis.iowa.gov)

Fiscal Note Version – New

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### **Description**

[House File 2301](#) amends the bidding process on construction, repairs, and improvements for buildings and grounds under the Board of Regents. The Bill requires the Board to meet the following criteria for all projects that exceed \$100,000:

- The Board must advertise a notice to bidders in a newspaper. The advertisement must be published at least once between 13 and 45 days before the bid filing date. The newspaper must be published once weekly and circulate in the geographic area of the proposed project.
- The preparation of drawings, plans, and specifications, and the estimated cost of the proposed project must be completed by a registered architect, registered landscape architect, or registered engineer.
- A sufficient number of printed copies of the project's documents must be provided to bidders, suppliers, and contractor plan rooms. This includes but is not limited to drawings, plans, specifications, and estimated total costs.
- If the Board judges that none of the bids are acceptable, the Board may reject bids and proceed with the project by a method determined by the Board. The Board must identify the basis for rejecting each bid received.

### **Background**

Currently, the Board is required to advertise for bids for all projects that exceed \$100,000. The Board typically advertises online. The Board is required to accept the lowest responsible bidder. If the Board determines that all bids are unacceptable, the Board may proceed with the project by a method selected by the Board. Over the last five years, the Board of Regents has annually completed approximately 245 projects that exceed \$100,000. This project total includes 136 at the University of Iowa, 70 at Iowa State University (ISU), and 40 at the University of Northern Iowa (UNI). Plans are posted to contractor plan rooms electronically.

The Board of Regents currently employs architects, engineers, and landscape architects in various positions related to facilities management. These FTE positions are not currently engaged in the preparation of drawings, plans, and specifications for construction projects. The FTE positions for ISU include 11 engineers, nine architects, and three landscape architects. The FTE positions for the University of Iowa include six engineers, three architects, and one landscape architect. The FTE positions at UNI include one engineer and one architect.

### **Assumptions**

- The Board identified a need of 3.0 additional FTE positions to prepare drawings, plan specifications, and cost estimates. One FTE position would be required for each university. These positions would develop drawings, plans, and specifications for each project over \$100,000.
- The Board also identified a need for a part-time FTE position for administrative support.
- The production of drawings, plans, and specifications by each university may reduce the requirements to hire external design professionals. Expenditure reductions from this change are unknown.
- Newspaper advertisements are estimated to cost \$80 per advertisement.

- This estimate assumes that the universities will print and ship one set of documents to five plan rooms for 245 projects each year.

**Fiscal Impact**

[House File 2301](#) may increase Board of Regents expenditures up to \$530,000 per year beginning in FY 2019. The components of this estimate are as follows:

<b>Estimate</b>	<b>Explanation</b>
\$360,000	The Board may add 3.2 FTE positions at an estimated expense of \$360,000 per year. The Legislative Services Agency (LSA) is unable to determine if new responsibilities required by <a href="#">HF 2301</a> can be managed alongside existing responsibilities.
\$150,000	The Bill requires the Board to print and ship a sufficient number of plans associated with each project that exceeds \$100,000. The number of plans that would constitute a sufficient amount is unknown. The Board estimates expenses associated with printing at \$150,000 per year.
\$20,000	Advertising expenses are estimated at \$20,000 per year.
Unknown	Cost reductions due to the reduced reliance on design professionals to produce drawings, plans, and specifications are unknown.
<b>\$530,000</b>	<b>Estimated Total Expenditures</b>

**Sources**

Iowa Board of Regents  
LSA Calculations

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/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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