

H- 2/22/99 Do Pass  
S- 3/18/99 Local Gov  
S- 4/1/99 Do Pass

JAN 20 1999

LOCAL GOVERNMENT

HOUSE FILE 115  
BY JACOBS

Passed House, (P. 734) Date 3/18/99 Passed Senate, Date 4/20/99 (P. 1219)  
Vote: Ayes 95 Nays 0 Vote: Ayes 49 Nays 0  
Approved May 18, 1999

**A BILL FOR**

1 An Act relating to the award of a contract for a public  
2 improvement by a city or the governing body of a city utility.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

H.F. 115

1 Section 1. Section 384.99, Code 1999, is amended to read  
2 as follows:

3 384.99 AWARD OF CONTRACT.

4 The contract for the public improvement must be awarded to  
5 the lowest responsible bidder, provided, however, that  
6 contracts relating to public utilities or extensions or  
7 improvements thereof, as described in division V of this  
8 chapter, may be awarded by the governing body as it deems to  
9 be in the best interests of the city. This section shall not  
10 be construed to prohibit a city in the award of a contract for  
11 a public improvement or a governing body of a city utility  
12 from providing in the award of a contract for a public  
13 improvement, an enhancement of payments upon early completion  
14 of the public improvement if the availability of the  
15 enhancement payments is included in the notice to bidders, the  
16 enhancement payments are competitively neutral to potential  
17 bidders, the enhancement payments are considered as a separate  
18 item in the public hearing on the award of contract, and the  
19 total value of the enhancement payments does not exceed ten  
20 percent of the value of the contract.

21

EXPLANATION

22 This bill provides that in awarding a contract or providing  
23 for the award of a contract for a public improvement, a city  
24 or a governing board of a city utility may include enhancement  
25 payments for early completion of the project if the  
26 availability of the enhancement payments is included in the  
27 notice to bidders, the enhancement payments are competitively  
28 neutral to potential bidders, the enhancement payments are  
29 considered as a separate item at the public hearing on the  
30 award of contract, and the total value of the enhancement  
31 payments does not exceed 10 percent of the value of the  
32 contract.

33

34

35

AN ACT  
RELATING TO THE AWARD OF A CONTRACT FOR A PUBLIC IMPROVEMENT  
BY A CITY OR THE GOVERNING BODY OF A CITY UTILITY.

total value of the enhancement payments does not exceed ten  
percent of the value of the contract.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 384.99, Code 1999, is amended to read  
as follows:

384.99 AWARD OF CONTRACT.

The contract for the public improvement must be awarded to  
the lowest responsible bidder, provided, however, that  
contracts relating to public utilities or extensions or  
improvements thereof, as described in division V of this  
chapter, may be awarded by the governing body as it deems to  
be in the best interests of the city. This section shall not  
be construed to prohibit a city in the award of a contract for  
a public improvement or a governing body of a city utility  
from providing in the award of a contract for a public  
improvement, an enhancement of payments upon early completion  
of the public improvement if the availability of the  
enhancement payments is included in the notice to bidders, the  
enhancement payments are competitively neutral to potential  
bidders, the enhancement payments are considered as a separate  
item in the public hearing on the award of contract, and the

\_\_\_\_\_  
RON J. CORBETT  
Speaker of the House

\_\_\_\_\_  
MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and  
is known as House File 115, Seventy-eighth General Assembly.

\_\_\_\_\_  
ELIZABETH ISAACSON  
Chief Clerk of the House  
Approved May 18, 1999

\_\_\_\_\_  
THOMAS J. VILSACK  
Governor