

Senate Study Bill 1113 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act relating to state procurement processes.

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

1 Section 1. NEW SECTION. **8A.311B Centralized purchasing —**
2 **limitation on applicability.**

3 Sections 8A.311 and 8A.311A shall not apply to the
4 procurement of any labor, materials, equipment, supplies,
5 services, goods, and any other items that would otherwise be
6 subject to chapter 26 or 573.

7 Sec. 2. Section 26.3, subsection 1, Code 2011, is amended
8 to read as follows:

9 1. If the estimated total cost of a public improvement
10 exceeds the competitive bid threshold of one hundred thousand
11 dollars, or the adjusted competitive bid threshold established
12 in section 314.1B, the governmental entity shall advertise for
13 sealed bids for the proposed public improvement by publishing a
14 notice to bidders. The notice to bidders shall be published
15 at least once, not less than ~~four~~ twenty and not more than
16 forty-five days before the date for filing bids, in a newspaper
17 published at least once weekly and having general circulation
18 in the geographic area served by the governmental entity.
19 Additionally, the governmental entity may publish a notice in
20 a relevant contractor organization publication and a relevant
21 contractor plan room service with statewide circulation,
22 provided that a notice is posted on a website sponsored by
23 either a governmental entity or a statewide association that
24 represents the governmental entity.

25 Sec. 3. Section 73A.18, Code 2011, is amended to read as
26 follows:

27 **73A.18 When bids required — advertisement — deposit.**

28 When the estimated total cost of construction, erection,
29 demolition, alteration or repair of a public improvement
30 exceeds the competitive bid threshold in section 26.3, or as
31 established in section 314.1B, the municipality shall advertise
32 for bids on the proposed improvement by two publications in
33 a newspaper published in the county in which the work is to
34 be done. The first advertisement for bids shall be not less
35 than ~~fifteen~~ twenty and not more than forty-five days prior to

1 the date set for receiving bids. The municipality shall let
2 the work to the lowest responsible bidder submitting a sealed
3 proposal. However, if in the judgment of the municipality
4 bids received are not acceptable, all bids may be rejected and
5 new bids requested. A bid shall be accompanied, in a separate
6 envelope, by a deposit of money or a certified check or credit
7 union certified share draft in an amount to be named in the
8 advertisement for bids as security that the bidder will enter
9 into a contract for the doing of the work. The municipality
10 shall fix the bid security in an amount equal to at least five
11 percent, but not more than ten percent of the estimated total
12 cost of the work. The checks, share drafts or deposits of
13 money of the unsuccessful bidders shall be returned as soon as
14 the successful bidder is determined, and the check, share draft
15 or deposit of money of the successful bidder shall be returned
16 upon execution of the contract documents.

17 Sec. 4. ALTERNATIVE PROJECT DELIVERY PILOT PROGRAM.

18 1. The department of administrative services shall oversee
19 an alternative project delivery pilot program. The object of
20 the pilot project shall be to determine whether alternative
21 project delivery can be an effective and efficient option
22 for the state to use when renovating or constructing new
23 facilities. The goal of the pilot project is to determine the
24 level of effectiveness and efficiencies offered by alternative
25 project delivery.

26 2. Starting on July 1, 2011, the department of
27 administrative services shall select five projects in each of
28 the next two years to utilize alternative project delivery.
29 The department shall partner with a pilot project advisory
30 committee to create a comprehensive procurement model for
31 alternative project delivery. The pilot project advisory
32 committee shall be composed of seven members who shall be
33 appointed by the titular heads of the following entities:

- 34 a. Department of administrative services.
35 b. American institute of architects, Iowa chapter.

- 1 c. American council of engineering companies of Iowa.
- 2 d. Iowa chapter of the design-build institute of America.
- 3 e. Master builders of Iowa.
- 4 f. Mechanical contractors association of Iowa.
- 5 g. Iowa state building and construction trades council.

6 3. The appointee of the department of administrative
7 services shall be the chairperson of the pilot project advisory
8 committee.

9 4. Each member of the pilot project advisory committee shall
10 serve a two and one-half year term starting July 1, 2011, and
11 ending December 31, 2013.

12 5. Pilot project parameters shall include the following:

13 a. Up to a maximum of five projects shall be selected in
14 each of the next two fiscal years.

15 b. The projects shall include renovation and new
16 construction. The projects shall vary in size, complexity,
17 scheduling, and cost.

18 c. Selection of these projects shall be completed by October
19 1, 2011, for fiscal year 2011-2012, and by October 1, 2012, for
20 fiscal year 2012-2013.

21 d. The director of the department of administrative
22 services shall make the final selection of projects and type of
23 alternative project delivery options.

24 6. The pilot project advisory committee shall file a report
25 to the general assembly at the start of each legislative
26 session outlining pilot project performance. A final report
27 shall be issued to the general assembly on January 1, 2014.

28 7. Notwithstanding any other provision of the law to the
29 contrary, a pilot project participant may utilize alternative
30 project delivery procurement processes, as established by the
31 pilot project advisory committee and approved by the director
32 of the department of administrative services, on projects under
33 the control of the department of administrative services.
34 Notwithstanding any other provision of the law to the contrary,
35 a pilot project participant selected for a pilot project under

1 this section is exempt from competitive bidding requirements
2 under the Code on projects under the control of the department
3 of administrative services. No other public entity other
4 than a pilot project participant selected for a pilot
5 project under this section shall be exempt from competitive
6 bidding requirements under the Code. This authorization for
7 construction management at risk and design-build procurement
8 shall be for the sole and exclusive use of planning, acquiring,
9 building, equipping, altering, repairing, improving, or
10 demolishing any structure or appurtenance thereto, including
11 facilities, utilities, or other improvements to any real
12 property, but shall not include highways, roads, bridges, dams,
13 turnpikes, or related structures, or stand-alone parking lots.

14 8. It is the intent of this section that an appropriation of
15 thirty thousand dollars from the rebuild Iowa infrastructure
16 fund to the department of administrative services shall be used
17 to cover expenses associated with administration and reporting
18 requirements of the pilot project.

19

EXPLANATION

20 This bill relates to state procurement processes.

21 The bill provides that Code sections 8A.311 and 8A.311A,
22 relating to competitive bidding and centralized purchasing
23 procedures under the department of management, do not apply to
24 the procurement of any labor, materials, equipment, supplies,
25 services, goods, and any other items that would otherwise be
26 subject to Code chapter 26 or 573.

27 The bill provides that under Code section 26.3, published
28 notice to bidders for public improvement projects by the state
29 or political subdivisions exceeding competitive bid thresholds
30 must occur not less than 20 days before the date for filing
31 bids. Current law requires that published notice must occur
32 not less than four days before the date for filing bids.

33 The bill provides that under Code section 73A.18, published
34 notice to bidders for public improvement projects by
35 municipalities exceeding competitive bid thresholds must occur

1 not less than 20 and not more than 45 days before the date for
2 filing bids. Current law requires that published notice must
3 occur not less than 15 days before the date for filing bids.
4 The bill creates an alternative project delivery pilot
5 program to be overseen by the department of administrative
6 services. The bill provides that the object of the pilot
7 project is to determine whether alternative project delivery
8 can be an effective and efficient option for the state to use
9 when renovating or constructing new facilities. The bill
10 provides that the goal of the pilot project is to determine the
11 level of effectiveness and efficiencies offered by alternative
12 project delivery. The bill provides that starting on July 1,
13 2011, the department of administrative services will select
14 five projects in each of the next two years to use alternative
15 project delivery. The bill provides for a pilot project
16 advisory committee with seven members who shall be appointed
17 by the heads of certain public and private entities. The bill
18 provides that the appointee of the department of administrative
19 services will be the chairperson of the committee. The
20 bill directs the department of administrative services to
21 partner with the pilot project advisory committee to create
22 a comprehensive procurement model for alternative project
23 delivery. The bill provides that each member of the committee
24 will serve a two and one-half year term starting July 1, 2011,
25 and ending December 31, 2013. The bill sets out certain
26 parameters for the pilot project, including that the director
27 of the department of administrative services will make the
28 final determination for selection of projects and type of
29 alternative project delivery options. The bill directs the
30 committee to file a report to the legislature at the start of
31 each legislative session outlining pilot project performance
32 with a final report to be issued on January 1, 2014. The bill
33 authorizes a pilot project participant to utilize alternative
34 project delivery procurement processes, as established by the
35 pilot project advisory committee and the director, on projects

1 under the control of the department of administrative services.
2 The bill exempts pilot project participants from competitive
3 bidding requirements under the Iowa Code. The bill specifies
4 that no other public entity other than a pilot project
5 participant is granted such an exemption. The bill defines
6 the scope of authorized uses for construction management at
7 risk and design-build procurement. The bill includes intent
8 language that provides that an appropriation of \$30,000
9 from the rebuild Iowa infrastructure fund to the department
10 of administrative services will be used to cover expenses
11 associated with administration and reporting requirements of
12 the pilot project.