

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: H3/7/17
A Bill

HOUSE BILL 1645

5 By: Representatives Bragg, Davis, Della Rosa, Penzo
6 By: Senators L. Eads, J. Hutchinson
7

8 **For An Act To Be Entitled**

9 AN ACT CONCERNING PROCUREMENT PROCEDURES FOR
10 MUNICIPAL SEWAGE SYSTEMS; AND FOR OTHER PURPOSES.
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13 **Subtitle**

14 CONCERNING PROCUREMENT PROCEDURES FOR
15 MUNICIPAL SEWAGE SYSTEMS.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code Title 14, Chapter 235, Subchapter 2, is
21 amended to add an additional section to read as follows:

22 14-235-226. Public improvements – Award procedure – Definitions.

23 (a) As used in this section:

24 (1) “Design-build” means a project delivery method in which the
25 municipal sewage system acquires both design and construction services in the
26 same contract from a single legal entity, referred to as the “design-
27 builder”, through a two-step procurement process in which the:

28 (A) First step is based on qualifications; and

29 (B) Second step is based on best value to the municipal
30 sewage system as defined by:

31 (i) Lowest capital cost;

32 (ii) Lowest life-cycle cost; or

33 (iii) A combination of lowest capital cost and
34 lowest life-cycle cost;

35 (2) “Design-builder” means an individual, partnership, joint
36 venture, corporation, or other legal entity licensed in this state that



1 furnishes the necessary design services and construction itself or through
2 subcontracts; and

3 (3)(A) "General contractor construction management" means a
4 project delivery method acquired through a qualifications-based selection
5 process in which the municipal sewage system acquires from a construction
6 entity a series of preconstruction phase services, including without
7 limitation design review, scheduling, cost control, value engineering,
8 constructability and biddability evaluation, and preparation and coordination
9 of bid packages.

10 (B)(i) After the completion of the preconstruction phase
11 services, the construction entity serves as the general contractor.

12 (ii) The general contractor under subdivision
13 (a)(3)(B)(i) of this section shall hold all trade contracts and purchase
14 orders and shall bond and guarantee the project after providing a maximum
15 guaranteed price, unless the general contractor and municipal sewage system
16 are unable to mutually agree on a maximum guaranteed price for the project
17 construction and which shall require the project construction to be
18 competitively bid as provided by law.

19 (b)(1) In addition to other applicable law on a municipal sewage
20 system's procurement authority, a municipal sewage system created and
21 operating under this subchapter that employs or contracts with a licensed
22 professional engineer to assist in project-scope development and to oversee
23 construction observation for the benefit of the owner may use design-build
24 construction for projects that exceed two million dollars (\$2,000,000).

25 (2) In addition to other applicable law on a municipal sewage
26 system's procurement authority, a municipal sewage system created and
27 operating under this subchapter may use general contractor construction
28 management as a project delivery method for projects of any amount for
29 building, altering, repairing, improving, maintaining, or demolishing any
30 structure associated with the municipal sewage system.

31 (3) The design-builder shall contract directly with
32 subcontractors and shall be responsible for the bonding of the project.

33 (4) A project using design-build construction or general
34 contractor construction management shall comply with state and federal law.

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APPROVED: 03/24/2017

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