

Stricken language would be deleted from and underlined language would be added to present law.
Act 627 of the Regular Session

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H3/7/17
A Bill

HOUSE BILL 1645

By: Representatives Bragg, Davis, Della Rosa, Penzo

By: Senators L. Eads, J. Hutchinson

For An Act To Be Entitled

AN ACT CONCERNING PROCUREMENT PROCEDURES FOR
MUNICIPAL SEWAGE SYSTEMS; AND FOR OTHER PURPOSES.

Subtitle

CONCERNING PROCUREMENT PROCEDURES FOR
MUNICIPAL SEWAGE SYSTEMS.

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

SECTION 1. Arkansas Code Title 14, Chapter 235, Subchapter 2, is amended to add an additional section to read as follows:

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

(a) As used in this section:

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

(A) First step is based on qualifications; and

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

(i) Lowest capital cost;

(ii) Lowest life-cycle cost; or

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

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



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

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

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

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

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

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

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

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

APPROVED: 03/24/2017