

1 ENGROSSED HOUSE
2 BILL NO. 3123

By: Jones of the House

and

Garrison of the Senate

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7 An Act relating to public buildings and public works;
8 amending 61 O.S. 2001, Section 202.1, as last amended
9 by Section 28, Chapter 271, O.S.L. 2006 and Section
10 1, Chapter 414, O.S.L. 2002, as amended by Section
11 33, Chapter 271, O.S.L. 2006 (61 O.S. Supp. 2007,
12 Sections 202.1 and 220), which relate to design-build
13 and at-risk construction management project delivery
14 methods; limiting certain prohibitions for the
15 design-build and at-risk construction management
16 project delivery methods to certain projects;
17 exempting projects by school districts, technology
18 center school districts, or higher education
19 institutions from certain prohibitions; limiting
20 construction manager criteria to certain projects;
21 defining certain term; recognizing certain
22 qualifications for construction managers selected by
23 school districts; limiting certain provisions to
24 certain projects; allowing a construction manager at-
risk to provide all bonds and proof of insurance; and
declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 61 O.S. 2001, Section 202.1, as
last amended by Section 28, Chapter 271, O.S.L. 2006 (61 O.S. Supp.
2007, Section 202.1), is amended to read as follows:

Section 202.1 A. The design-build and at-risk construction
management project delivery methods shall not be used without the

1 written approval of the Director of Central Services, or the
2 Director's designee, when those projects are constructed for a state
3 agency or by an act of the Legislature specifying design-build or
4 at-risk construction management for a project. In all instances
5 where the design-build project or at-risk construction management
6 delivery method is authorized, construction administration shall be
7 performed by the State Construction Administrator, the
8 Administrator's designee or designees, or otherwise by contract or
9 contract provision approved by the Director of Central Services for
10 construction administration by another party.

11 B. Municipalities, counties, public trusts, or any other
12 political subdivision in this state shall not be required to get
13 approval of any other state agency in order to use design-build
14 construction management or at-risk construction management as a
15 construction management delivery method. However, municipalities,
16 counties, public trusts, and any other political subdivision shall
17 be subject to all other provisions of the Public Building
18 Construction and Planning Act.

19 C. The For projects constructed by a state agency, for projects
20 authorized by an act of the Legislature specifying design-build or
21 at-risk construction management, or for projects constructed by a
22 municipality, county, public trust or other political subdivision,
23 the design-build and construction management project delivery
24 methods shall not be used ~~for any project~~ unless the project meets

1 the criteria established by the administrative rules promulgated as
2 required by this act. Such methods shall not be used unless there
3 is a need for compressed construction time as required to respond to
4 a natural disaster or other emergency situation affecting public
5 health and safety, or all of the following criteria for designation
6 are met:

- 7 1. The project benefits the public;
- 8 2. There is a need for cost control; and
- 9 3. The need exists for specialized or complex construction
10 methods due to the unique nature of the project.

11 D. The For projects constructed by a state agency, for projects
12 authorized by an act of the Legislature specifying design-build or
13 at-risk construction management, or for projects constructed by a
14 municipality, county, public trust or other political subdivision,
15 the use of design-build and construction management project delivery
16 methods shall not interfere or inhibit the opportunity for
17 subcontractors to openly and freely compete for subcontracts
18 pursuant to the Public Competitive Bidding Act of 1974.

19 E. The provisions of subsections A and B of this section shall
20 not apply to projects by contract pursuant to an interagency
21 agreement under Section 581 of Title 74 of the Oklahoma Statutes or
22 to projects a state agency performs solely with the staff of the
23 agency.

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1 F. The provisions of subsections C and D of this section shall
2 not apply to projects constructed by school districts, technology
3 center school districts or higher education institutions within The
4 Oklahoma State System of Higher Education.

5 G. The State Construction Administrator shall file an annual
6 report to the legislature summarizing cost information for each
7 construction management project completed the preceding year.

8 ~~G.~~ H. The Department of Central Services shall, pursuant to the
9 Administrative Procedures Act, promulgate rules to effect
10 procedures, processes and design-build/construction management fee
11 guidelines necessary to the fulfillment of its responsibilities
12 under this section.

13 ~~H.~~ I. As used in the Public Building Construction and Planning
14 Act, public trusts shall not include state beneficiary public
15 trusts.

16 SECTION 2. AMENDATORY Section 1, Chapter 414, O.S.L.
17 2002, as amended by Section 33, Chapter 271, O.S.L. 2006 (61 O.S.
18 Supp. 2007, Section 220), is amended to read as follows:

19 Section 220. A. Any political subdivision or board of
20 education of a school district may use construction management as a
21 project delivery method for the building, altering, repairing,
22 improving, maintaining or demolishing any structure or appurtenance
23 thereto, or any other improvement to real property owned by that
24 political subdivision or school district. For purposes of this

1 section "construction management" shall be defined as set forth in
2 Section 202 of this title and shall include both agency construction
3 management and at-risk construction management. For purposes of
4 this section "school district" shall include technology center
5 school districts.

6 B. A political subdivision or school district shall select a
7 construction manager based on the professional qualifications and
8 technical experience of the construction manager. Selection
9 criteria shall include the experience of the candidate, past
10 performance, and certification of the company or individuals within
11 the company of their knowledge of recognized standards of
12 construction, construction management and project management. Only
13 firms recognized as qualified construction managers by the
14 Construction and Properties Division of the Department of Central
15 Services pursuant to Section 62 of this title, may be considered for
16 selection as a construction manager by a political subdivision ~~or~~
17 ~~school district.~~ Recognition of a company as a qualified
18 construction manager by the Construction and Properties Division of
19 the Department of Central Services pursuant to Section 62 of this
20 title may be considered in evaluating the qualifications of a
21 prospective construction manager by a school district.

22 C. ~~The~~ For construction projects by political subdivisions,
23 excluding school districts, the construction management project
24 delivery method may only be used for public construction contracts

1 when the construction project meets the criteria established by
2 Section 202.1 of this title, except that a political subdivision ~~or~~
3 ~~school district~~ shall not be required to obtain permission from the
4 Director of Central Services.

5 D. ~~When~~ For construction projects by political subdivisions,
6 excluding school districts, when bids for a public construction
7 project have been received from general contractors pursuant to the
8 Public Competitive Bidding Act of 1974 and the lowest responsible
9 bid is within the awarding agency's available funding, the awarding
10 agency shall not reject all bids and award the project to a
11 construction manager.

12 E. Construction management contracts, for both agency
13 construction management and at-risk construction management, entered
14 into by a political subdivision or school district pursuant to this
15 section shall not be considered a public construction contract
16 pursuant to Section 102 of ~~Title 61 of the Oklahoma Statutes~~ this
17 title and shall not be subject to competitive bidding requirements
18 as set forth in the Public Competitive Bidding Act of 1974.

19 F. All construction contracts or subcontracts exceeding Fifty
20 Thousand Dollars (\$50,000.00) in amount for work to be performed for
21 any political subdivision or school district pursuant to a
22 construction management project delivery method shall be awarded in
23 accordance with the provisions of the Public Competitive Bidding Act
24 of 1974. If a construction manager at-risk wishes to self-perform

1 portions of the construction work to be performed, the construction
2 manager at-risk may self-perform portions of the work provided the
3 construction manager at-risk competitively bids the work under the
4 same terms and conditions as the other bidders and the construction
5 manager at-risk is the lowest responsible bidder for the
6 construction subcontract. No work shall commence until the school
7 district executes a written contract and the contractor and
8 subcontractors submit bonds and proofs of insurance as required by
9 the appropriate contract. A construction manager at-risk may
10 provide bonds and proofs of insurance in the full amount of the
11 guaranteed maximum amount in lieu of bonds and proofs of insurance
12 submitted by individual contractors and subcontractors.

13 SECTION 3. It being immediately necessary for the preservation
14 of the public peace, health and safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

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1 Passed the House of Representatives the 10th day of March, 2008.

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4 Presiding Officer of the House of
Representatives

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6 Passed the Senate the ____ day of _____, 2008.

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9 Presiding Officer of the Senate