

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 1, 1985

The sixteenth meeting of the State Administration Committee was called to order at 10 a.m. on February 1, 1985, by Chairman Jack Haffey in Room 331 of the Capitol Building.

ROLL CALL: All the members were present with Senator Lynch arriving late.

CONSIDERATION OF HOUSE BILL 143: Senator Haffey told the Committee that House Bill 143 and Senate Bill 133 are almost identical bills. He said one bill was produced at the instigation of the Legislative Finance Committee and the other one was produced at the instigation of the Governor's State Building Construction Advisory Council. Representative Bardanouve is the sponsor of House Bill 143 entitled, "AN ACT REQUIRING THE DEPARTMENT OF ADMINISTRATION TO REVIEW COST ESTIMATES PREPARED BY ARCHITECTS FOR STATE BUILDING CONSTRUCTION PROJECTS COSTING MORE THAN \$25,000; AMENDING SECTION 18-2-103, MCA; AND PROVIDING AN EFFECTIVE DATE." This bill basically came out of the concern and the hearings in 1983 session regarding renovation of the capitol. That estimate was off by \$3 million. The Architects and Engineers office reviews the proposals, but they haven't in the past reviewed cost estimates. Representative Bardanouve said that from the time that the plans were drawn to the date that the bids were let sometimes a long time elapses, and this is what happened with the capitol renovation. Representative Bardanouve felt that if the Architects and Engineers office had reviewed the cost estimates this would not have happened. Representative Bardanouve said that he was going to do something unprofessional. He felt that Senator Mohar's bill is more comprehensive and a better bill. He further said that his bill passed the house without opposition, but they would like to have a bill in this area and it doesn't matter which one. If you wish to table House Bill 143, I will not feel hurt he said. He hoped the Committee would pass one of the bills.

PROPOSERS: There were no proponents.

OPPOSERS: There were no opponents.

COMMITTEE QUESTIONS: There were no committee questions.

Representative Bardanouve closed by saying that we need a better review of the cost estimates, so we need one of these bills. HOUSE BILL 143 is closed.

EXECUTIVE ACTION ON HOUSE BILL 143: Senator Lynch moved that HOUSE BILL 143 be not concurred in. Senator Haffey felt that tabling the bill was the safest course. Senator Lynch withdrew his motion. Senator Manning moved that we table HOUSE BILL 143, question was called, and the Committee voted unanimously to table HOUSE BILL 143.

CONSIDERATION OF SENATE BILL 133: Senator Mohar, Senate District #1, is the sponsor of this bill entitled, "AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO REVIEW AND ACCEPT PLANS, SPECIFICATIONS, AND COST ESTIMATES PERTAINING TO STATE BUILDING PROJECTS; AMENDING SECTION 18-2-103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." Senator Mohar said that Representative Bardanouve had done a great job of explaining why we should adopt this bill. He said it seems to indicate that they should accept those plans instead of approving them. It is a little stronger language. Senator Mohar said these two bills were aimed at the same area. On page 2, line 5, the word approved has been changed to accepted. Page 1, lines 16 through 18 reads, "review and accept all plans, specifications, and cost estimates prepared by architects; or consulting engineers;". There is a new section on page 3 which extends authority to this bill and Section 3 gives the effective date.

PROPOSERS: Representative Francis Bardanouve supports this bill.

Barbara Martin, staff researcher, Governor's State Building Construction advisory Council, supports this bill. Barbara Martin felt that the bill is pretty specific, and the language is consistent. Ms. Martin also feels that this bill gives better coverage of building construction. She said that they proposed an immediate effective date so it would affect any construction that comes about during legislative session.

Marty Crennan, Architect, supports this bill. Mr. Crennan said that the Advisory Council searched for sometime for the proper word to replace approved and came up with accept. He said they felt that the state must accept some responsibility in signing off these plans.

Bill Lannon, University System, supports this bill.

OPPOSERS: There were no opposers.

COMMITTEE QUESTIONS: There were no committee questions.

SENATE BILL 133 is closed.

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EXECUTIVE ACTION ON SENATE BILL 133: Senator Tveit moved that SENATE BILL 133 do pass. Senator Lynch said that Senator Mohar's bill mentioned \$25,000 in the body but not in the title. Senator Mohar felt that this was good enough, and Valencia Lane, staff Attorney, agreed with him. Judy Rippingale asked if the Committee shouldn't go with Representative Bardanouve's bill since it had already passed the House. However, Representative Bardanouve felt that Senator Mohar's bill was better and it would have to go to a conference committee either way. Senator Conover suggested we hold Representative Bardanouve's bill. Senator Hirsch said that the way the bill uses the word accept, it almost sounds like you have to accept the plans. Senator Mohar said that if the plans do what the contract says that they do have to accept them, but if they are not like the contract, then they have to be reworked and redone. Senator Haffey told Senator Hirsch that Phil Hauck's office reviews these things and they have manuals and an acid test for approval of these plans before they are submitted, and if these plans are not somewhere in the range of reasonableness, they go back. Senator Manning called question. Senator Conover asked that if this bill passed, they would not have run into the difficulty with the capitol would they? Senator Mohar said that this will not specifically address that. The Architects and Engineers office will review the plans, but they don't have the staff to do an in-depth analysis of the plans. This is why we wanted accept rather than approve. Senator Haffey called for a vote, and the Committee voted unanimously that SENATE BILL 133 DO PASS.

EXECUTIVE ACTION ON SENATE BILL 134: Senator Haffey said that Senator Farrell had some questions regarding the merits of this bill, but he thought they had been cleared up. Senator Farrell moved that SENATE BILL 134 do pass. Senator Tveit asked if this was the bill that allowed the lowest bidder to negotiate the contract. Senator Haffey said that it was. Senator Lynch said that he still felt that if the bids came in over the appropriation, they all ought to have to rebid regardless of the cost and the delay. Senator Haffey said that they looked at this bill very thoroughly and this bill would avoid delay and the cost to rebid the project. Senator Farrell said that he had some problem with the bill, but he was sure that the first time the contractors aren't happy with it, it will be tried in a court of law and then we will know. Senator Hirsch said that he felt that the Committee was there to listen to the industry and the industry liked this bill because it gave them more flexibility to negotiate. Senator Mohar said that this is a key bill and a good bill, and the process had some bugs and this is why the Governor recommended that this be studied, and this is a key bill. This bill would address that area and that problem and I think it deserves a chance.

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Senator Mohar said that as a contractor he knows how vital the bids of the subcontractors are and if you have a delay it can be devastating on the prices submitted and you have to begin again. However, this bill gives you the flexibility in the system to save that bid and to save money. Question was called by Senator Conover, and the Committee voted in favor of the bill, with the exception of Senator Lynch who voted no. SENATE BILL 134 DO PASS.

EXECUTIVE ACTION ON SENATE BILL 147: Senator Haffey asked that we delay our decision on this bill until the fiscal note is ready which should be in a couple of days. He said the impact on the general fund would not be as devastating as the fiscal note showed because of the interest paid on loans made by the Department of Administration. Senator Haffey introduced a rather lengthy amendment to this bill. (Attached hereto marked Exhibit "A" and by this reference made a part hereof.) The amendment would require the underlined language to be inserted as follows, "The information submitted by the Montana university system must include a detail of the interest earned and retained by the designated subfund, under the provisions of 17-2-107 (5), including the disposition of the interest and to what extent the interest correspondingly reduces the university system's budget estimate." This language would insure that the university system does not circumvent the legislative process because they would have to answer to our group. Senator Lynch moved that the amendments do pass. Senator Conover called question, and the Committee voted to unanimously pass the amendments.

Senator Haffey said that the appropriation subcommittee would be keeping a close eye on the computer hardware request of the university system to make sure that the money is being used where it is supposed to be. Senator Manning said that we must not forget the second half of the bill which is so important and allows the students to retain their fee money for their own uses.

The meeting was adjourned at 10:35 a.m.



SENATOR JACK HAFFEY, CHAIRMAN

Exhibit 7
2-1-88
SB-147

SB 147, Introduced (white), be amended as follows:

1. Title, line 6.
Strike: "SECTION"
Insert: "SECTIONS"

2. Title, line 7.
Following: "17-2-107"
Insert: "AND 17-7-112"

3. Page 4, line 5.
Insert: "Section 2. Section 17-7-112, MCA, is amended to read:

"17-7-112. Submission deadline. (1) It shall be the duty of each department, agency, and office, including the Montana university system, to submit the information required under 17-7-111 to the budget director on or before September 1 in the even year preceding the convening of the legislature. The information submitted by the Montana university system must include a detail of the interest earned and retained by the designated subfund, under the provisions of 17-2-107(5), including the disposition of the interest and to what extent the interest correspondingly reduces the university system's budget estimate.

(2) Between August 15 and September 30 in the year preceding the convening of the legislature, the director must submit each state agency's budget request required under 17-7-111(2) to the legislative fiscal analyst. The transfer of budget information shall be done on a schedule mutually agreed to by the budget director and the legislative fiscal analyst in a manner that facilitates an even transfer of budget information during the month of September and which allows each office to maintain a reasonable staff workflow.

(3) If any department, institution, university unit, or agency shall fail to present such information within the time herein specified, the budget director shall note that fact in the budget submitted to the governor and the budget director shall prepare and submit to the legislative fiscal analyst and the governor by October 30 a budget request on behalf of such department, institution, university unit, or agency, based upon his studies of the operations, plans, and needs thereof.

(4) The proposed pay plan schedule required by 17-7-111(3) must be submitted to the legislative fiscal analyst no later than November 15 in the year preceding the convening of the legislature"

Renumber: subsequent sections.

STANDING COMMITTEE REPORT

.....February 1, 1985.....

MR. PRESIDENT

We, your committee on.....**STATE ADMINISTRATION**.....

having had under consideration.....**SENATE BILL** No. **133**.....

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ACCEPTANCE RATHER THAN APPROVAL OF PLANS AND SPECIFICATIONS FOR BUILDINGS

Respectfully report as follows: That.....**SENATE BILL** No. **133**.....

DO PASS

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Chairman.

STANDING COMMITTEE REPORT

February 1 1985

MR. PRESIDENT

We, your committee on **STATE ADMINISTRATION**

having had under consideration..... **SENATE BILL** No. **134**

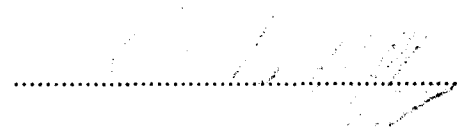
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NEGOTIATION TO BRING CONSTRUCTION BID WITHIN APPROPRIATION

Respectfully report as follows: That..... **SENATE BILL** No. **134**

~~DO PASS~~

~~DO NOT PASS~~


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Chairman.