

SENATE BILL NO. 60

INTRODUCED BY BECK

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE SENATE

JANUARY 4, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
JANUARY 12, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 13, 1989	PRINTING REPORT.
JANUARY 14, 1989	SECOND READING, DO PASS.
JANUARY 16, 1989	ENGROSSING REPORT.
JANUARY 17, 1989	THIRD READING, PASSED. AYES, 49; NOES, 1.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 17, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
FEBRUARY 21, 1989	FIRST READING.
MARCH 14, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 15, 1989	SECOND READING, CONCURRED IN.
MARCH 16, 1989	THIRD READING, CONCURRED IN. AYES, 80; NOES, 16.
	RETURNED TO SENATE.

MARCH 17, 1989

IN THE SENATE

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 60  
2 INTRODUCED BY Bush  
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE  
6 DEPARTMENT OF ADMINISTRATION TO REVIEW AND APPROVE CHANGE  
7 ORDERS UP TO \$25,000 FOR CONTRACTS ISSUED UNDER TITLE 18,  
8 CHAPTER 2; AMENDING SECTION 18-2-103, MCA; AND PROVIDING AN  
9 IMMEDIATE EFFECTIVE DATE."  
10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 18-2-103, MCA, is amended to read:

13 **"18-2-103. Supervision of construction of buildings.**

14 (1) For the construction of a building costing more than  
15 \$25,000, the department of administration shall:

16 (a) review and accept all plans, specifications, and  
17 cost estimates prepared by architects or consulting  
18 engineers;

19 (b) approve all bond issues or other financial  
20 arrangements and supervise and approve the expenditure of  
21 all moneys;

22 (c) solicit, accept, and reject bids and award all  
23 contracts to the lowest qualified bidder considering  
24 conformity with specifications and terms and reasonableness  
25 of bid amount. However, any contract award that is protested

1 or any contract that is awarded to a bidder other than the  
2 lowest bidder is subject to approval by the board of  
3 examiners.

4 (d) review and approve all change orders up to \$5,000  
5 \$25,000. Any other change order over \$25,000 must be with  
6 the consent of the board of examiners. The department may  
7 refer change orders under \$25,000 that affect the project  
8 scope or other unusual change orders to the board of  
9 examiners for consideration. The board of examiners shall  
10 act within 14 working days after processing completion by  
11 the department.

12 (e) accept the building when completed according to  
13 accepted plans and specifications.

14 (2) The department may delegate on a  
15 project-by-project basis any powers and duties under  
16 subsection (1) to other state agencies, including units of  
17 the Montana university system, upon terms and conditions  
18 specified by the department. However, any powers and duties  
19 subject to the approval of the board of examiners may not be  
20 delegated.

21 (3) For repair and maintenance projects, the  
22 supervision, approval, and consent of the board of examiners  
23 are not required.

24 (4) Before any contract under subsection (1) is  
25 awarded, two formal bids must have been received, if

1 reasonably available.

2 (5) The department need not require the provisions of  
3 Montana law relating to advertising, bidding, or supervision  
4 where proposed construction costs are \$25,000 or less.  
5 However, with respect to a project having a proposed cost of  
6 \$25,000 or less but more than \$5,000, the agency awarding  
7 the contract must procure at least three informal bids from  
8 contractors licensed in Montana, if reasonably available.

9 (6) For the construction of buildings owned or to be  
10 owned by a school district, the department of administration  
11 shall, upon request, provide inspection to insure compliance  
12 with the plans and specifications for the construction of  
13 such buildings. "Construction" shall include construction,  
14 repair, alteration, equipping, and furnishing during  
15 construction, repair, or alteration. These services shall be  
16 provided at a cost to be contracted for between the  
17 department of administration and the school district, with  
18 the receipts to be deposited in the department of  
19 administration's construction regulation account in a state  
20 special revenue fund.

21 (7) It is the intent of the legislature that student  
22 housing and other facilities constructed under the authority  
23 of the regents of the university system are subject to the  
24 provisions of subsections (1) through (4) of this section.

25 (8) The department of military affairs may act as

1 contracting agency for buildings constructed under the  
2 authority of 18-2-102(2)(d); however, the department of  
3 administration may agree to act as contracting agency on  
4 behalf of the department of military affairs. Montana law  
5 applies to any controversy involving such a contract."

6 **Section 2. Effective date.** [This act] is effective on  
7 passage and approval.

-End-

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

SENATE BILL NO. 60

INTRODUCED BY BECK

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO REVIEW AND APPROVE CHANGE ORDERS UP TO \$25,000 FOR CONTRACTS ISSUED UNDER TITLE 18, CHAPTER 2; TO AUTHORIZE THE DEPARTMENT TO REFER CHANGE ORDERS UNDER \$25,000 AFFECTING PROJECT SCOPE OR UNUSUAL CHANGE ORDERS TO THE BOARD OF EXAMINERS; AMENDING SECTION 18-2-103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 18-2-103, MCA, is amended to read:**"18-2-103. Supervision of construction of buildings.**

(1) For the construction of a building costing more than \$25,000, the department of administration shall:

(a) review and accept all plans, specifications, and cost estimates prepared by architects or consulting engineers;

(b) approve all bond issues or other financial arrangements and supervise and approve the expenditure of all moneys;

(c) solicit, accept, and reject bids and award all contracts to the lowest qualified bidder considering

conformity with specifications and terms and reasonableness of bid amount. However, any contract award that is protested or any contract that is awarded to a bidder other than the lowest bidder is subject to approval by the board of examiners.

(d) review and approve all change orders up to \$5,000 \$25,000. Any other change order over \$25,000 must be with the consent of the board of examiners. The department may refer change orders under \$25,000 that affect the project scope or other unusual change orders to the board of examiners for consideration. The board of examiners shall act within 14 working days after processing completion by the department.

(e) accept the building when completed according to accepted plans and specifications.

(2) The department may delegate on a project-by-project basis any powers and duties under subsection (1) to other state agencies, including units of the Montana university system, upon terms and conditions specified by the department. However, any powers and duties subject to the approval of the board of examiners may not be delegated.

(3) For repair and maintenance projects, the supervision, approval, and consent of the board of examiners are not required.

(4) Before any contract under subsection (1) is awarded, two formal bids must have been received, if reasonably available.

(5) The department need not require the provisions of Montana law relating to advertising, bidding, or supervision where proposed construction costs are \$25,000 or less. However, with respect to a project having a proposed cost of \$25,000 or less but more than \$5,000, the agency awarding the contract must procure at least three informal bids from contractors licensed in Montana, if reasonably available.

(6) For the construction of buildings owned or to be owned by a school district, the department of administration shall, upon request, provide inspection to insure compliance with the plans and specifications for the construction of such buildings. "Construction" shall include construction, repair, alteration, equipping, and furnishing during construction, repair, or alteration. These services shall be provided at a cost to be contracted for between the department of administration and the school district, with the receipts to be deposited in the department of administration's construction regulation account in a state special revenue fund.

(7) It is the intent of the legislature that student housing and other facilities constructed under the authority of the regents of the university system are subject to the

provisions of subsections (1) through (4) of this section.

(8) The department of military affairs may act as contracting agency for buildings constructed under the authority of 18-2-102(2)(d); however, the department of administration may agree to act as contracting agency on behalf of the department of military affairs. Montana law applies to any controversy involving such a contract."

**NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO REVIEW AND APPROVE CHANGE ORDERS UP TO \$25,000 FOR CONTRACTS ISSUED UNDER TITLE 18, CHAPTER 2; TO AUTHORIZE THE DEPARTMENT TO REFER CHANGE ORDERS UNDER \$25,000 AFFECTING PROJECT SCOPE OR UNUSUAL CHANGE ORDERS TO THE BOARD OF EXAMINERS; AMENDING SECTION 18-2-103, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 18-2-103, MCA, is amended to read:

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(1) For the construction of a building costing more than \$25,000, the department of administration shall:

(a) review and accept all plans, specifications, and cost estimates prepared by architects or consulting engineers;

(b) approve all bond issues or other financial arrangements and supervise and approve the expenditure of all moneys;

(c) solicit, accept, and reject bids and award all contracts to the lowest qualified bidder considering

conformity with specifications and terms and reasonableness of bid amount. However, any contract award that is protested or any contract that is awarded to a bidder other than the lowest bidder is subject to approval by the board of examiners.

(d) review and approve all change orders up to \$5,000 \$25,000. Any other change order over \$25,000 must be with the consent of the board of examiners. The department may refer change orders under \$25,000 that affect the project scope or other unusual change orders to the board of examiners for consideration. The board of examiners shall act within 14 working days after processing completion by the department.

(e) accept the building when completed according to accepted plans and specifications.

(2) The department may delegate on a project-by-project basis any powers and duties under subsection (1) to other state agencies, including units of the Montana university system, upon terms and conditions specified by the department. However, any powers and duties subject to the approval of the board of examiners may not be delegated.

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19 department of administration and the school district, with  
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21 administration's construction regulation account in a state  
22 special revenue fund.

23 (7) It is the intent of the legislature that student  
24 housing and other facilities constructed under the authority  
25 of the regents of the university system are subject to the

1 provisions of subsections (1) through (4) of this section.

2 (8) The department of military affairs may act as  
3 contracting agency for buildings constructed under the  
4 authority of 18-2-102(2)(d); however, the department of  
5 administration may agree to act as contracting agency on  
6 behalf of the department of military affairs. Montana law  
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8 NEW SECTION. **Section 2.** Effective date. [This act] is  
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