

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ALTERNATIVE PROJECT DELIVERY
5 AND DESIGN-BUILD CONTRACTING LAWS; REVISING DEFINITIONS; AMENDING SECTIONS 18-2-501,
6 18-8-204, 18-8-205, 60-2-112, 60-2-134, AND 60-2-137, MCA; AND PROVIDING A TERMINATION DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **NEW SECTION. Section 1. Alternative project delivery process -- submission of proposals --**

11 **duties.** (1) After the commission, acting on the recommendation of the department, has identified a project for
12 which the alternative project delivery process will be used, and the commission has approved the selection
13 criteria proposed by the department, the department shall prepare and advertise a request for qualifications.

14 (2) From the responders to the request for qualifications, the department shall prepare a short list of
15 the responders that it believes are most qualified, not to exceed five responders on any single project.

16 (3) (a) The department shall announce the short list and issue a request for proposals to each of the
17 prospective alternative project delivery contractors on the short list, who may then submit a technical and price
18 proposal to the department.

19 (b) A technical and price proposal submitted in response to a request for proposals must contain
20 detailed descriptions of the prospective alternative project delivery contractor's approach to designing,
21 constructing, and managing the project in accordance with the alternative project delivery criteria package.

22 (4) The department shall evaluate the technical and price proposals and make a written
23 recommendation to the commission regarding the department's selection of the alternative project delivery
24 contractor to be awarded the contract.

25 (5) The prospective alternative project delivery contractors who appear on the department's short list
26 but are not awarded the contract may be paid a stipend, in an amount determined by the commission, for costs
27 incurred in submitting the response to the department's request for proposals.

28

1 **Section 2.** Section 18-2-501, MCA, is amended to read:

2 **"18-2-501. (Temporary) Definitions.** As used in this part, unless the context clearly requires
3 otherwise, the following definitions apply:

4 (1) (a) "Alternative project delivery contract" means a construction management contract, a general
5 contractor construction management contract, or a design-build contract.

6 (b) The term does not include a design-build contract awarded by the transportation commission
7 under 60-2-111(3).

8 (2) "Construction management contract" means a contract in which the contractor acts as the public
9 owner's construction manager and provides leadership and administration for the project, from planning and
10 design, in cooperation with the designers and the project owners, to project startup and construction
11 completion.

12 (3) "Contractor" has the meaning provided in 18-4-123.

13 (4) "Design-build contract" means a contract in which the designer-builder assumes the responsibility
14 and the risk for architectural or engineering design and construction delivery under a single contract with the
15 owner.

16 (5) "General contractor construction management contract" means a contract in which the general
17 contractor, in addition to providing the preconstruction, budgeting, and scheduling services, procures necessary
18 construction services, equipment, supplies, and materials through competitive bidding contracts with
19 subcontractors and suppliers to construct the project.

20 (6) "Governing body" means:

21 (a) the legislative authority of:

22 (i) a municipality, county, or consolidated city-county established pursuant to Title 7, chapter 1, 2, or
23 3;

24 (ii) a school district established pursuant to Title 20; or

25 (iii) an airport authority established pursuant to Title 67, chapter 11;

26 (b) the board of directors of a county water or sewer district established pursuant to Title 7, chapter
27 13, parts 22 and 23; or

28 (c) the trustees of a fire district established pursuant to Title 7, chapter 33, or the county

1 commissioners or trustees of a fire service area established pursuant to 7-33-2401-; or

2 (d) the transportation commission established in 2-15-2502.

3 (7) "Project" means any construction or any improvement of the land, a building, or another
4 improvement that is suitable for use as a state or local governmental facility.

5 (8) "Publish" means publication of notice as provided for in 7-1-2121, 7-1-4127, 18-2-301, and 20-9-
6 204.

7 (9) "State agency" has the meaning provided in 2-2-102. This definition does not include the
8 department of transportation. (Terminates December 31, 2024--sec. 6, Ch. 54, L. 2017.)

9 **18-2-501. (Effective January 1, 2025) Definitions.** As used in this part, unless the context clearly
10 requires otherwise, the following definitions apply:

11 (1) "Alternative project delivery contract" means a construction management contract, a general
12 contractor construction management contract, or a design-build contract.

13 (2) "Construction management contract" means a contract in which the contractor acts as the public
14 owner's construction manager and provides leadership and administration for the project, from planning and
15 design, in cooperation with the designers and the project owners, to project startup and construction
16 completion.

17 (3) "Contractor" has the meaning provided in 18-4-123.

18 (4) "Design-build contract" means a contract in which the designer-builder assumes the responsibility
19 and the risk for architectural or engineering design and construction delivery under a single contract with the
20 owner.

21 (5) "General contractor construction management contract" means a contract in which the general
22 contractor, in addition to providing the preconstruction, budgeting, and scheduling services, procures necessary
23 construction services, equipment, supplies, and materials through competitive bidding contracts with
24 subcontractors and suppliers to construct the project.

25 (6) "Governing body" means:

26 (a) the legislative authority of:

27 (i) a municipality, county, or consolidated city-county established pursuant to Title 7, chapter 1, 2, or
28 3;

- 1 (ii) a school district established pursuant to Title 20; or
- 2 (iii) an airport authority established pursuant to Title 67, chapter 11;
- 3 (b) the board of directors of a county water or sewer district established pursuant to Title 7, chapter
- 4 13, parts 22 and 23; or
- 5 (c) the trustees of a fire district established pursuant to Title 7, chapter 33, or the county
- 6 commissioners or trustees of a fire service area established pursuant to 7-33-2401.
- 7 (7) "Project" means any construction or any improvement of the land, a building, or another
- 8 improvement that is suitable for use as a state or local governmental facility.
- 9 (8) "Publish" means publication of notice as provided for in 7-1-2121, 7-1-4127, 18-2-301, and 20-9-
- 10 204.
- 11 (9) "State agency" has the meaning provided in 2-2-102, except that the department of transportation,
- 12 provided for in 2-15-2501, is not considered a state agency."

13

14 **Section 3.** Section 18-8-204, MCA, is amended to read:

15 **"18-8-204. Procedures for selection.** (1) In the procurement of architectural, engineering, and land

16 surveying services, the agency may encourage firms engaged in the lawful practice of their profession to submit

17 annually or biennially a statement of qualifications and performance data. The agency shall evaluate current

18 statements of qualifications and performance data on file with the agency, together with those that may be

19 submitted by other firms regarding the proposed project, and conduct discussions with one or more firms

20 regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the

21 required services.

22 (2) (a) The agency shall then select, based on criteria established under agency procedures and

23 guidelines and the law, the firm considered most qualified to provide the services required for the proposed

24 project.

25 (b) The agency procedures and guidelines must be available to the public and include at a minimum

26 the following criteria as they relate to each firm:

- 27 (i) the qualifications of professional personnel to be assigned to the project;
- 28 (ii) capability to meet time and project budget requirements;

- 1 (iii) location;
- 2 (iv) present and projected workloads;
- 3 (v) related experience on similar projects; and
- 4 (vi) recent and current work for the agency.

5 (c) The agency shall follow the minimum criteria of this part if no other agency procedures are
 6 specifically adopted.

7 (3) After conducting an evaluation of firms pursuant to subsections (1) and (2)(b), a local agency may
 8 enter into a contract with one or more of those firms to provide architectural, engineering, or land surveying
 9 services on an as-needed basis for one or more projects and for a term to be mutually agreed to by the parties.
 10 Nothing in this subsection prevents a local agency from following the procurement procedures in this part for
 11 professional services for a particular project, unless a contract made pursuant to this subsection provides
 12 otherwise.

13 (4) The provisions of this section do not apply to procurement of architectural, engineering, and land
 14 surveying services for projects that the ~~department of transportation has determined are~~ transportation
 15 commission has approved as part of the design-build contracting program authorized in 60-2-137."

16

17 **Section 4.** Section 18-8-205, MCA, is amended to read:

18 **"18-8-205. Negotiation of contract for services.** (1) The agency shall negotiate a contract with the
 19 most qualified firm for architectural, engineering, and land surveying services at a price that the agency
 20 determines to be fair and reasonable. In making its determination, the agency shall take into account the
 21 estimated value of the services to be rendered, as well as the scope, complexity, and professional nature of the
 22 services.

23 (2) If the agency is unable to negotiate a satisfactory contract with the firm selected at a price the
 24 agency determines to be fair and reasonable, negotiations with that firm must be formally terminated and the
 25 agency shall select other firms in accordance with 18-8-204 and continue as directed in this section until an
 26 agreement is reached or the process is terminated.

27 (3) The provisions of this section do not apply to the negotiation of contracts for projects that the
 28 ~~department of transportation has determined are~~ transportation commission has approved as part of the

1 design-build contracting program authorized in 60-2-137."

2

3 **Section 5.** Section 60-2-112, MCA, is amended to read:

4 **"60-2-112. (Temporary) Competitive bidding -- reciprocity.** (1) Except as provided in subsections
5 (2) through (6), if the estimated cost of any work exceeds \$50,000, the commission shall award the contract by
6 competitive bidding to the lowest responsible and responsive bidder. The award must be made upon the notice
7 and terms that the commission prescribes by its rules. However, except when prohibited by federal law, the
8 commission shall make awards and contracts in accordance with 18-1-102.

9 (2) The commission may award a contract by means other than competitive bidding if it determines
10 that special circumstances so require. The commission shall specify the special circumstances in writing.

11 (3) The commission may enter into contracts with units of local government for the construction of
12 projects without competitive bidding if it finds that the work can be accomplished at lower total costs, including
13 total costs of labor, materials, supplies, equipment usage, engineering, supervision, clerical and accounting
14 services, administrative costs, and reasonable estimates of other costs attributable to the project.

15 (4) The commission may delegate to the department the authority to enter, without competitive
16 bidding, agreed-upon price contracts for projects costing \$50,000 or less.

17 (5) The commission may award a design-build contract under the design-build contracting program if
18 the provisions of 60-2-137 have been met.

19 (6) The commission or the department may not enter into a contract for a state-funded highway
20 project or a construction project with a bidder whose operations are not headquartered in the United States
21 unless:

22 (a) the foreign country, or province or other political subdivision of that country, in which the bidder is
23 headquartered affords companies based in the United States open, fair, and nondiscriminatory access to
24 bidding on highway projects and construction projects located in the foreign country, or province or other
25 political subdivision of that country; and

26 (b) the department has entered into a reciprocity agreement with or has exchanged letters of
27 information with the foreign country, or province or other political subdivision of that country, that addresses:

28 (i) the equal and fair treatment of bids originating in the United States and in the foreign country, or

1 province or other political subdivision of that country;

2 (ii) specific ownership requirements and tax policies in the United States and in the foreign country, or
3 province or other political subdivision of that country, that may result in the unequal treatment of all bids
4 received, regardless of their origin;

5 (iii) the means by which contractors from both the United States and the foreign country, or province or
6 other political subdivision of that country, are notified of highway projects and construction projects available for
7 bid; and

8 (iv) any other differences in public policy or procedure that may result in the unequal treatment of bids
9 originating in the United States or in the foreign country, or province or other political subdivision of that country,
10 for projects located in either the United States or the foreign country, or province or other political subdivision of
11 that country.

12 (7) Subject to 60-2-119, the commission may award alternative project delivery contracts in
13 accordance with Title 18, chapter 2, part 5, ~~for projects that the department has determined are appropriate for~~
14 ~~these contracts.~~ if the provisions of [section 1] have been met.

15 (8) For the purposes of subsection (6), "construction" has the meaning provided in 18-2-101.
16 (Terminates December 31, 2024--sec. 6, Ch. 54, L. 2017.)

17 **60-2-112. (Effective January 1, 2025) Competitive bidding -- reciprocity.** (1) Except as provided in
18 subsections (2) through (6), if the estimated cost of any work exceeds \$50,000, the commission shall award the
19 contract by competitive bidding to the lowest responsible and responsive bidder. The award must be made
20 upon the notice and terms that the commission prescribes by its rules. However, except when prohibited by
21 federal law, the commission shall make awards and contracts in accordance with 18-1-102.

22 (2) The commission may award a contract by means other than competitive bidding if it determines
23 that special circumstances so require. The commission shall specify the special circumstances in writing.

24 (3) The commission may enter into contracts with units of local government for the construction of
25 projects without competitive bidding if it finds that the work can be accomplished at lower total costs, including
26 total costs of labor, materials, supplies, equipment usage, engineering, supervision, clerical and accounting
27 services, administrative costs, and reasonable estimates of other costs attributable to the project.

28 (4) The commission may delegate to the department the authority to enter, without competitive

1 bidding, agreed-upon price contracts for projects costing \$50,000 or less.

2 (5) The commission may award a design-build contract under the design-build contracting program if
3 the provisions of 60-2-137 have been met.

4 (6) The commission or the department may not enter into a contract for a state-funded highway
5 project or a construction project with a bidder whose operations are not headquartered in the United States
6 unless:

7 (a) the foreign country, or province or other political subdivision of that country, in which the bidder is
8 headquartered affords companies based in the United States open, fair, and nondiscriminatory access to
9 bidding on highway projects and construction projects located in the foreign country, or province or other
10 political subdivision of that country; and

11 (b) the department has entered into a reciprocity agreement with or has exchanged letters of
12 information with the foreign country, or province or other political subdivision of that country, that addresses:

13 (i) the equal and fair treatment of bids originating in the United States and in the foreign country, or
14 province or other political subdivision of that country;

15 (ii) specific ownership requirements and tax policies in the United States and in the foreign country, or
16 province or other political subdivision of that country, that may result in the unequal treatment of all bids
17 received, regardless of their origin;

18 (iii) the means by which contractors from both the United States and the foreign country, or province or
19 other political subdivision of that country, are notified of highway projects and construction projects available for
20 bid; and

21 (iv) any other differences in public policy or procedure that may result in the unequal treatment of bids
22 originating in the United States or in the foreign country, or province or other political subdivision of that country,
23 for projects located in either the United States or the foreign country, or province or other political subdivision of
24 that country.

25 (7) For the purposes of subsection (6), "construction" has the meaning provided in 18-2-101."

26

27 **Section 6.** Section 60-2-134, MCA, is amended to read:

28 **"60-2-134. Definitions.** For the purposes of 18-8-204, 18-8-205, 60-2-111, 60-2-112, 60-2-137, and

1 this section, the following definitions apply:

2 (1) "Design-build contracting" means the process of entering into a single contract between the
3 commission and a design-build contractor in which the design-build contractor agrees to design and build a
4 highway, structure, or facility or any other items required in a request for proposals.

5 (2) "Design-build contractor" means an individual, partnership, corporation, joint venture, or other
6 legally recognized entity that is appropriately licensed in Montana and that provides the necessary design and
7 construction services, including contract administration.

8 (3) "Design-build criteria package" means the document provided by the department that contains the
9 information necessary to guide a prospective design-build contractor in the preparation and submission of a
10 proposal for a design-build project.

11 (4) "Request for proposals" means a part of the design-build or alternative project delivery criteria
12 package that contains a detailed scope of work, including design concepts, technical requirements and
13 specifications, the time allowed for design and construction, the department's estimated cost of the project, the
14 deadline for submitting a proposal, the selection criteria, and a copy of the contract.

15 (5) "Request for qualifications" means a part of the design-build or alternative project delivery criteria
16 package that contains the desired minimum qualifications of the design-build contractor, a scope of work
17 statement, the project requirements, the amount of reimbursement that the commission has determined will be
18 paid to prospective design-build contractors who qualify for the short list but are not awarded a contract, and
19 the selection criteria that the department will use in compiling the short list of prospective design-build
20 contractors to consider."

21

22 **Section 7.** Section 60-2-137, MCA, is amended to read:

23 **"60-2-137. Design-build contracting process -- submission of proposals -- department's duties.**

24 (1) Once the commission, acting on a recommendation of the department, has identified a project for which the
25 design-build contracting process will be used, and the commission has approved selection criteria proposed by
26 the department, the department shall prepare and advertise a request for qualifications.

27 (2) From the responders to the request for qualifications, the department shall prepare a short list of
28 the responders that it believes are most qualified, not to exceed five responders on any single project.

1 (3) (a) The department shall announce the short list and issue a request for proposals to each of the
2 prospective design-build contractors on the short list, who may then submit a technical and price proposal to
3 the department.

4 (b) A technical and price proposal submitted in response to a request for proposals must contain
5 detailed descriptions of the prospective design-build contractor's approach to designing, constructing, and
6 managing the project in accordance with the design-build criteria package. The technical and price proposal
7 must also include the prospective design-build contractor's conceptual design and construction sequence and
8 schedule and the lump-sum price to complete the project.

9 (4) The department shall evaluate the technical and price proposals and make a written
10 recommendation to the commission regarding the department's selection of the design-build contractor to be
11 awarded the contract.

12 (5) The prospective design-build contractors who appeared on the department's short list but are not
13 awarded the contract may be paid a stipend, in an amount determined by the commission, for costs incurred in
14 submitting the response to the department's request for proposals."
15

16 NEW SECTION. Section 8. Codification instruction. [Section 1] is intended to be codified as an
17 integral part of Title 60, chapter 2, part 1, and the provisions of Title 60, chapter 2, part 1, apply to [section 1].
18

19 NEW SECTION. Section 9. Termination. [Section 1] terminates December 31, 2024.
20

- END -