



Oklahoma
State
Senate

Legislative Brief

June 2000

Public Construction and Renovation

Issue Background

SB 352 of 1999 created the Advisory Task Force on Public Construction & Renovation Laws to look, primarily, at the "design/build" project delivery concept and at construction management issues. In recent years, various states and federal agencies have authorized, with mixed results, the use of design/build and other nontraditional means of project delivery, particularly to reduce cost and time for constructing buildings that repeatedly use the same or similar designs. Essentially, design/build provides for a single contract for design consultant and construction services.

The Task Force also considered wholesale updating of Title 61 (Public Buildings and Public Works), looked at how to make performance contracting in the energy conservation area more workable for schools, counties, and municipalities, and discussed the impact of wrap-around insurance requirements on subcontractors.

The Task Force was precluded from addressing any road or highway construction matters.

Summary of Actions

In response to the work of the Task Force, four measures authored by Sen. Ben Robinson and Rep. Bill Paulk were enacted:

SB 1250 adds definitions of construction administration, construction management (both agency construction management and at-risk construction management), and design-build to the Public Building Construction and Planning Act. Agencies cannot use design-build or at-risk construction management project delivery methods without written approval of the Director of the Department of Central Services (DCS) or legislative directive. In all such cases, construction administration is the responsibility of, and will sometimes be performed by, the State Construction Administrator. However, the Administrator can utilize one or more designees or the Department can obtain contract administration services by contracting with another party. The bill also extends the life of the Advisory Task Force on Public Construction and Renovation Laws through June 30, 2002, directs the Department to promulgate rules relating to the aforementioned matters, and makes it a duty of the Task Force to assist the Department as it develops the rules, which it is to do under the Administrative Procedures Act. The act became effective with the Governor's signature June 6, 2000.

SB 1172 raises the threshold for bids that require bonding from \$12, 500 to \$25,000. It also authorizes DCS to obtain the services, by a competitive process, of construction managers to represent the interests of the state during the construction phase of projects. Another provision requires that DCS not solicit bids or make contracts with contractors [e.g., electrical, plumbing, and air-conditioning/heating] who are required to be licensed in this state but are not. Also, the bill authorizes the Director of DCS to audit state agency records for construction contracting. Effective with the signature of the Governor, June 6, 2000.

SB 1251 changes bonding, repayment, and other restrictions contractors have encountered that have prevented accomplishment of agreements with schools, cities, and counties for renovating buildings to make them more energy-efficient. Effective with the signature of the Governor, April 28, 2000.

SB 1176 prohibits general contractors and state agencies from requiring so-called "wrap-up" insurance of subcontractors on a public works project. It became effective with the signature of the Governor April 11, 2000.

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