

HCS HB 2906 -- STATE CONTRACTS FOR CERTAIN SERVICES

SPONSOR: Mayhew

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Intergovernmental Affairs by a vote of 13 to 1.

The following is a summary of the House Committee Substitute for HB 2906.

Currently, the agencies of the State can, when authorized, establish standing contracts to accomplish construction, renovation, maintenance, and repair projects not exceeding \$100,000 and job order contracts not to exceed \$300,000.

This bill increases those limits to \$250,000 and \$750,000.

The bill defines "master agreement" to mean a contract for architecture, engineering, landscape architecture, or land surveying services that will be performed on an as-needed basis for an indefinite number of projects over a defined period. The Division of Facilities Management, Design, and Construction of the Office of Administration will have the authority to establish master agreements using a qualification-based selection process where services do not exceed \$100,000 per project.

The Division will issue a request for qualifications for all master agreements, to be published on their website or advertised electronically for at least ten days before statements of qualifications are reviewed. Requests for qualifications must specify the number of master agreements to be awarded and the basis for establishing multiple master agreements, and such agreements can be awarded based on a set number, geographic region, or the type of projects or services to be performed. Evaluation of the statements of qualifications is specified in the bill.

Master agreements will not exceed two years, including renewal periods, and the total value of all services performed under a master agreement must not exceed one million dollars per year. Master agreements must set forth agreed-upon terms and conditions and the fee schedule or hourly rate for the specified period. The scope, schedule, and total fee for each project performed under the master agreement will be established by a task order issued by the Division.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that standing contracts allow flexibility and costs have increased in recent years. Contractors can be vetted up front and don't have to be bid later, which is costly and expensive enough that the selection process, currently, often exceeds the price of the job. The quality-based selection process used for contracts with the State will be no less stringent under this new master agreement process. This simply allows consolidation of small projects to eliminate repetitive, costly procedures, because the statutory authority that exists now excludes certain services where we could see the same benefit as we do for certain work now.

Testifying in person for the bill were Representative Mayhew; Hannah Swann, Office of Administration; and American Council of Engineering Companies of Missouri.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.