

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 8 - 3 - 0

Yeas: Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Witt, Doherty

Nays: Barton, Freeman, Weidner

Exc.: 0

Prepared By: Jan Nordlund, Administrator

Meeting Dates: 2/5, 2/10

WHAT THE MEASURE DOES: Permits contracting agency, when directly appointing certain consultants, to solicit or use the consultant's pricing policy or proposal or other pricing information to determine consultant's compensation only after the contracting agency has selected the candidate and before entering into a contract with the consultant. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Justification for not bidding design work
- Eligibility of small and large firms to be selected under direct appointment
- Concerns of contracting agencies not wanting to use qualification based selection on small jobs
- Total project can be much larger than \$100,000 spent on architectural and engineering services

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under existing law, when a contracting agency is selecting a contractor to provide architectural, engineering, photogrammetric mapping, transportation planning and land surveying services, the selection must be based on qualifications and not price. Compensation can only be determined after the contracting agency has selected the candidate. If the two parties are unable to negotiate a contract at a compensation level that is reasonable and fair to the contracting agency, the contracting agency then may negotiate with the next most qualified candidate.

Contracting agencies are allowed to directly appoint contractors if the estimated cost of architectural, engineering, photogrammetric mapping, transportation planning and land surveying services for the project do not exceed \$100,000. House Bill 4119 clarifies that, like a larger contract that the contracting agency solicits through a competitive proposal process, the compensation for a directly appointed consultant can only be determined after the candidate has been selected and before the contract is entered into.