

FIRST REGULAR SESSION

# HOUSE BILL NO. 561

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES ST. ONGE, BIVINS, MOORE, ICET (Co-sponsors)  
AND MUNZLINGER.

Read 1<sup>st</sup> time February 27, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1847L.011

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### AN ACT

To amend chapter 8, RSMo, by adding thereto nine new sections relating to design-build, with an expiration date.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 8, RSMo, is amended by adding thereto nine new sections, to be  
2 known as sections 8.1000, 8.1003, 8.1006, 8.1009, 8.1012, 8.1015, 8.1018, 8.1021 and 8.1024,  
3 to read as follows:

**8.1000. As used in sections 8.1000 to 8.1024, the following terms shall mean:**

- 2 (1) "Design-build", a project for which the design and construction services are  
3 furnished under one contract;
- 4 (2) "Design-build contract", a contract between the division and a design-builder,  
5 to furnish the architecture or engineering and related design services required for a given  
6 public construction project and to furnish the labor, materials, and other construction  
7 services for the same public project;
- 8 (3) "Design-builder", any individual, partnership, joint venture, corporation, or  
9 other legal entity that furnishes the architectural or engineering services and construction  
10 services, whether itself or through subcontracts;
- 11 (4) "Design criteria consultant", a person, corporation, partnership, or other legal  
12 entity duly registered and authorized to practice architecture or professional engineering  
13 in this state pursuant to chapter 327, RSMo, and who is employed by contract to the  
14 division to provide professional design and administrative services in connection with the  
15 preparation of the design criteria package;
- 16 (5) "Design criteria package", performance-oriented specifications for the public  
17 construction project sufficient to permit a design-builder to prepare a response to the

18 **division's request for proposals for a design-build project;**

19 **(6) "Director", the director of the division of design and construction;**

20 **(7) "Division", the state office of administration, division of design and**  
21 **construction;**

22 **(8) "Evaluation team", a group of people selected by the director to evaluate the**  
23 **proposals of the design-builders. The team shall consist of at least two representatives of**  
24 **the division of design and construction and two representatives of the using agency. A fifth**  
25 **member shall be selected by the director and shall serve as chairman to facilitate the**  
26 **evaluation process and to vote only in case of a tie;**

27 **(9) "Proposal", an offer to enter into a design-build contract;**

28 **(10) "Request for proposals", the document by which the division solicits proposals**  
29 **for a design-build contract;**

30 **(11) "Stipend", an amount paid to the unsuccessful proposers to defray the cost of**  
31 **submission of phase II of the design-build proposal.**

**8.1003. 1. Notwithstanding any other provision of the law, the division of design**  
2 **and construction is hereby authorized to institute a pilot program whereby the**  
3 **design-build procurement process may be utilized on a limited number of public projects**  
4 **as set out below for the purpose of demonstrating the benefits of the design-build process**  
5 **in the public sector. This authorization for design-build procurement shall be for the sole**  
6 **and exclusive use of the division of design and construction.**

7 **2. The maximum number of projects to be procured on a design-build basis during**  
8 **the course of this pilot program shall be no more than four projects each with an estimated**  
9 **cost of five million dollars or less and no more than four projects each with an estimated**  
10 **cost of more than five million dollars.**

11 **3. The director of design and construction shall select those projects for which the**  
12 **use of the design-build procurement process is appropriate. In making that determination,**  
13 **the director shall consider:**

14 **(1) The likelihood that the design-build method of procurement will serve the**  
15 **public interest by providing substantial savings of time or money over the traditional**  
16 **design-bid-build delivery process;**

17 **(2) The time available to complete the project and meet the needs of the end user**  
18 **and any need to expedite the delivery process;**

19 **(3) The type of project and its suitability to the design-build process;**

20 **(4) The size of the project;**

21 **(5) The level of agency knowledge and confidence about the project scope and**  
22 **definition;**

23           **(6) The availability of using agency staff to manage the project; and**  
24           **(7) The availability of the division of design and construction staff to manage the**  
25 **project.**

26           **4. The director of design and construction shall present progress reports on any**  
27 **ongoing design-build projects to the general assembly at each regular session during the**  
28 **course of the pilot program. In addition, the director shall present a final detailed report**  
29 **of all completed design-build projects to the general assembly completed each year during**  
30 **the pilot program. Such final reports shall contain an assessment of the advantages and**  
31 **disadvantages of the design-build process relative to the traditional design-bid-build**  
32 **procurement process on such completed projects.**

**8.1006. The division may adopt regulations pursuant to chapter 536, RSMo, for the**  
2 **conduct of the design-build process.**

**8.1009. 1. The director shall determine the scope and level of detail required to**  
2 **permit qualified persons to submit proposals in accordance with the request for proposals**  
3 **given the nature of the project.**

4           **2. A design criteria consultant may be employed or retained by the division to assist**  
5 **in preparation of the request for proposal, perform periodic site visits, prepare progress**  
6 **reports, review, and approve progress and final pay applications of the design-builder,**  
7 **review shop drawings and submittals, decide disputes, interpret the construction**  
8 **documents, perform inspections upon substantial and final completion, assist in warranty**  
9 **inspections and to provide any other professional service where the director deems it to be**  
10 **in the public interest to have an independent design professional assisting with the project**  
11 **administration. The consultant shall be selected and its contract negotiated in compliance**  
12 **with sections 8.285 to 8.291.**

**8.1012. 1. Notice of requests for proposals shall be advertised in accordance with**  
2 **section 8.250. The division shall publish a notice of a request for proposal with a**  
3 **description of the project, the rationale for the decision to use the design-build method of**  
4 **procurement, the procedures for submittal and the selection criteria to be used.**

5           **2. The director shall establish in the request for proposal a time, place, and other**  
6 **specific instructions for the receipt of proposals. Proposals not submitted in strict**  
7 **accordance with those instructions shall be subject to rejection.**

8           **3. A request for proposals shall be prepared for each design-build contract**  
9 **containing at minimum the following elements:**

10           **(1) The procedures to be followed for submitting proposals, the criteria for**  
11 **evaluation of proposals and their relative weight and the procedures for making awards;**  
12           **(2) The proposed terms and conditions for the design-build contract;**

- 13           **(3) The design criteria package;**
- 14           **(4) A description of the drawings, specifications, or other information to be**  
15 **submitted with the proposal, with guidance as to the form and level of completeness of the**  
16 **drawings, specifications, or other information that will be acceptable;**
- 17           **(5) A schedule for planned commencement and completion of the design-build**  
18 **contract;**
- 19           **(6) Budget limits for the design-build contract, if any;**
- 20           **(7) Affirmative action and minority or women business enterprise requirements for**  
21 **the design-build contract, if any;**
- 22           **(8) Requirements including any available ratings for performance bonds, payment**  
23 **bonds, and insurance; and**
- 24           **(9) Any other information that the division in its discretion chooses to supply,**  
25 **including without limitation, surveys, soil reports, drawings of existing structures,**  
26 **environmental studies, photographs, or references to public records.**
- 27           **4. The director shall solicit proposals in a three-stage process. Phase I shall be the**  
28 **solicitation of qualifications of the design-build team. Phase II shall be the solicitation of**  
29 **a technical proposal including conceptual design for the project, and phase III shall be the**  
30 **proposal of the construction cost.**
- 31           **5. The evaluation team shall review the submittals of the proposers and assign**  
32 **points to each proposal in accordance with sections 8.1000 to 8.1024 and section 327.395,**  
33 **RSMo, and as set out in the instructions of the request for proposal.**
- 8.1015. 1. Phase I shall require all proposers to submit a statement of qualifications**  
2 **which shall include, but not be limited to:**
- 3           **(1) Demonstrated ability to perform projects comparable in design, scope, and**  
4 **complexity;**
- 5           **(2) References of owners for whom design-build projects have been performed;**
- 6           **(3) Qualifications of personnel who will manage the design and construction aspects**  
7 **of the project;**
- 8           **(4) The names and qualifications of the primary design consultants and contractors**  
9 **with whom the design-builder proposes to subcontract. The design-builder may not**  
10 **replace an identified subcontractor or subconsultant without the written approval of the**  
11 **director.**
- 12           **2. The evaluation team shall evaluate the qualifications of all proposers in**  
13 **accordance with the instructions of the request for proposal. Designers on the project shall**  
14 **be evaluated in accordance with the requirements of sections 8.285 to 8.291. Qualified**  
15 **proposers selected by the evaluation team may proceed to phase II of the selection process.**

16 Proposers lacking the necessary qualifications to perform the work shall be disqualified  
17 and shall not proceed to phase II of the process. Under no circumstances shall price or fee  
18 be a part of the prequalification criteria. Points assigned in the phase I evaluation process  
19 shall not carry forward to phase II of the process. All qualified proposers shall be ranked  
20 on points given in phases II and III only.

21 3. The director shall have discretion to disqualify any proposer, which in the  
22 director's opinion lacks the minimal qualifications required to perform the work.

23 4. Once a sufficient number of qualified proposers have been selected, the  
24 proposers shall have a specified amount of time with which to assemble phase II and phase  
25 III proposals.

8.1018. Phase II of the process shall be conducted as follows:

2 (1) The director shall invite the top five qualified proposers to participate in phase  
3 II of the process. If there are not five qualified proposers, then all qualified proposers will  
4 be invited to submit phase II. If three qualified proposers cannot be identified, the  
5 contracting process will cease;

6 (2) Proposers must submit their design for the project to the level of detail required  
7 in the request for proposal. The design proposal should demonstrate compliance with the  
8 requirements set out in the request for proposal;

9 (3) The schedule for completing a project as designed by a proposer may be  
10 considered as an element of evaluation in phase II;

11 (4) Up to twenty percent of the points awarded to each proposer in phase II may  
12 be based on each proposer's qualifications and ability to design, construct, and deliver the  
13 project on time and within budget;

14 (5) Under no circumstances should the design proposal contain any reference to the  
15 cost of the proposal;

16 (6) The design submittals will be evaluated and assigned points in accordance with  
17 the requirements of the request for proposal. Phase II shall account for no less than forty  
18 percent of the total point score as specified in the request for proposal.

8.1021. Phase III shall be conducted as follows:

2 (1) The phase III proposal must provide a firm, fixed cost of construction. The  
3 proposal must be accompanied by bid security and any other required submittals, such as  
4 statements of minority participation as required by the request for proposal;

5 (2) Cost proposals must be submitted in accordance with the instructions of the  
6 request for proposal. Failure to submit a cost proposal on time shall be cause to reject the  
7 proposal. Phase III shall account for not less than forty percent of the total point score as  
8 specified in the request for proposal;

9           **(3) Proposals for phase II and phase III shall be submitted concurrently at the time**  
10 **and place specified in the request for proposal. The phase III cost proposals shall be**  
11 **opened only after the phase II design proposals have been evaluated and assigned points;**

12           **(4) Cost proposals will be opened and read aloud at the time and place specified in**  
13 **the request for proposal. At the same time and place, the evaluation team will make public**  
14 **its scoring of phase II. Cost proposals will be evaluated in accordance with the**  
15 **requirements of the request for proposal. In evaluating the cost proposals, the low bidder**  
16 **shall be awarded the total number of points assigned to be awarded in phase III. For all**  
17 **other bidders, cost points will be calculated by reducing the maximum points available in**  
18 **phase III by two percent or more for each percentage point of the low bid by which the**  
19 **bidder exceeds the low bid and the points assigned will be added to the points assigned for**  
20 **phase II for each proposer;**

21           **(5) The responsive proposer with the highest total number of points will be**  
22 **awarded the contract. If the director determines, however, that it is not in the best interest**  
23 **of the state to proceed with the project pursuant to the proposal offered by the proposer**  
24 **with the highest total number of points, the director shall reject all proposals. In such**  
25 **event, all qualified proposers with lower point totals shall receive a stipend pursuant to**  
26 **section 8.1024 and the proposer with the highest total number of points shall receive an**  
27 **amount equal to two times such stipend;**

28           **(6) If all proposals are rejected, the director may solicit new proposals using**  
29 **different design criteria, budget constraints, or qualifications.**

**8.1024. As an inducement to qualified proposers, the division shall pay a reasonable**  
2 **stipend, the amount of which shall be established in the request for proposal, to each**  
3 **prequalified design-builder whose proposal is responsive but not accepted. Upon payment**  
4 **of the stipend to any unsuccessful design-build proposer, the state shall acquire a**  
5 **nonexclusive right to use the design submitted by the proposer, and the proposer shall have**  
6 **no further liability for its use by the state in any manner. If the design-build proposer**  
7 **desires to retain all rights and interest in the design proposed, the proposer shall forfeit the**  
8 **stipend.**

          Section B. Section A of this act shall expire on December 31, 2005.