

MINUTES OF THE Senate COMMITTEE ON Governmental Organization

The meeting was called to order by Senator Vidricksen at
Chairperson

1:39 ~~xxx~~ p.m. on February 17, 1983 in room 531N of the Capitol.

All members were present except:

Senator Gaines

Committee staff present:

Norm Furse - Revisor

Julian Efird - Legislative Research

Conferees appearing before the committee:

Senator Werts

Senator Bogina

John Hipp - Director of Architectural Services

Charles Carey - Mechanical Contractors Association of Kansas

Bob West - National Electrical Contractors Association

Bob West - National Electrical Contractors of Kansas

Dean Ferrill - Associated General Contractors of Kansas

Tom Slattery - Associated General Contractors of Kansas

Senator Wertz appeared before the committee on behalf of Senate Bill 132. He stated that the purpose of this bill was to eliminate the publishing of all orders in the Kansas Register and publish only those which have statewide application. No action was taken on this bill. (Exhibit A)

Senator Bogina, sponsor of Senate Bill 159, explained that the purpose of this bill would be to allow the Secretary of Administration to determine if capital improvement projects would be bid as a single bid, a multiple bid (general, mechanical and electrical construction), or bid both as a single or multiple bid with the contract awarded to the lowest qualified bidder in either of the two methods. He stated at the present time there was no flexibility to make that decision. Senator Bogina answered questions from the committee and John Hipp elaborated further on this bill and answered additional questions. (Exhibit B)

Charles Carey addressed the committee in support of Senate Bill 159 and explained that this bill is only asking for the project architect, negotiating committee and Secretary of Department of Administration to have the right or option to decide to bid the same project, singly and separately. He stated that this option of bothways would also allow the Division of Architectural Services to gather comparative cost information and urged passage of Senate Bill 159. (Exhibit C)

Another proponent of the bill, Bob West, presented brief testimony and stated that the bidding concept found in Senate Bill 159, in allowing contractors to bid in either manner, should certainly allow the State to receive its most competitive prices and requested that the bill be acted upon favorably. (Exhibit D)

Tom Slattery appeared in opposition of this bill stating on behalf of the Associated General Contractors of Kansas, that they did not oppose the situation as it is now but they do oppose the provision to allow both single and separate bids at the same time because they want to know ahead of time.

Dean Ferrill distributed copies of a bid form and explained that if they had to bid two ways it made it very tough for them as they had to wait on many last minute bids before they could make their bid to the state. (Exhibit E) He raised the question as to whether both bids at the same time would give a true comparison and stated that he felt it would be in the best interest to leave the bill as it is.

Senator Francisco made a motion to approve the minutes and Senator Meyers seconded this. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as recorded herein have not been submitted to the individuals appearing before the committee for editing or corrections.

Meeting adjourned at
2:29 p.m.

74	132
Fiscal Note	Bill No.
1983 Session	
February 9, 1983	

The Honorable Ben E. Vidricksen, Chairperson
Committee on Governmental Organization
Senate Chamber
Third Floor, Statehouse

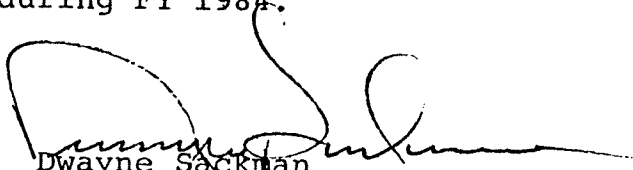
Dear Senator Vidricksen:

SUBJECT: Fiscal note for Senate Bill No. 132 by Joint
Committee on Administrative Rules and Regulations

In accordance with K.S.A. 75-3715a, the following fiscal note concerning Senate Bill No. 132 is respectfully submitted to your committee.

The subject act amends K.S.A. 1982 Supp. 75-430 to provide that the State Board of Tax Appeals need publish only those summaries of the Board's orders "which have statewide application." The act thereby modifies an action of the 1982 Legislature which required the publication of summaries of all orders of the Board of Tax Appeals.

The precise fiscal impact of Senate Bill No. 132 cannot be predicted, since one cannot know how many appeals will be filed and order summaries subsequently published. It is apparent, however, that a considerable saving will result from enactment of the bill, since most of the orders of the Board of Tax Appeals relate to individual filings or small and isolated groups of taxpayers. The Board of Tax Appeals has indicated that it expects to spend approximately \$5,000 in publication fees under the terms of this act during FY 1984.


Dwayne Sackman
Principal Budget Analyst
For the Director of the Budget

DS:dh

Ex. A



DEPARTMENT OF ADMINISTRATION
Office of the Secretary

JOHN CARLIN,
Governor
PATRICK J. HURLEY,
Secretary of Administration

Room 263-E
State Capitol Building
Topeka, Kansas 66612
(913) 296-3011

February 16, 1983

The Honorable Ben E. Vidricksen
Chairman, Senate Governmental
Organization Committee
Room 143-N, Statehouse
Topeka, Kansas 66612

RE: Senate Bill 159

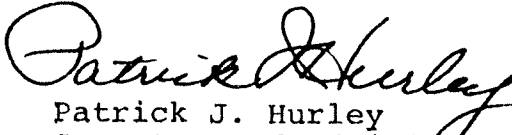
Dear Senator:

The effect of this bill allows the Secretary of Administration, with the advice of the project architect and the negotiating committee, to determine if capital improvement projects will be bid as a single bid, a multiple bid (general, mechanical and electrical construction), or bid both as a single or multiple bid with the contract awarded to the lowest qualified bidder in either of the two methods.

Since this alternative method will result in the lowest possible construction cost resulting from the submission of bids both ways, it would appear a satisfactory resolution for those industry factions supporting one method or the other.

Mr. John Hipp, Director of Architectural Services, will be present at your hearing of the bill on February 18. If you have questions regarding the bill, he will be available to respond at that time.

Sincerely,


Patrick J. Hurley
Secretary of Administration

PJH:gda

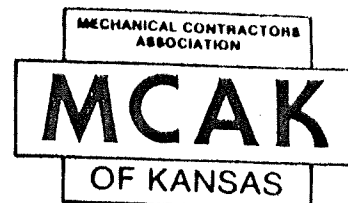
cc: The Honorable August Bogina, Jr. ✓

Ex. B

MECHANICAL CONTRACTORS Association of Kansas, Inc.

Phone 913-354/1130

500 Kansas Avenue, Topeka, Kansas 66603



February 17, 1983

To: Chairperson Ben Vidricksen, Vice-Chairperson Ronald Hein and Members
of the Senate Governmental Organization Committee.

From: Charles D. Carey, Jr., Executive Director

I am appearing here today for SB 159 because of its relationship to the bidding by mechanical contractors and for the taxpayers of Kansas because I, too, am a taxpayer.

Under the present law a decision has to be made, by prescribed persons, to bid the project as a whole, i.e., "Single", OR three independent bids for general, mechanical and electrical work, i.e., "Separate". Both methods of bidding are recognized and acceptable by present law.

This bill is only asking for the project architect, negotiating committee and Secretary of Department of Administration to have the right or option to decide to bid the same project, same plans and specifications bothways, i.e., Single AND Separate. This same choice of bidding bothways also will be allowed on projects when this decision is made by the project architect and Secretary or by the Secretary.

It could happen, perhaps a number of times in the future, that both methods of bidding a project will be equally acceptable to the "decision makers" but the present law will force them to choose one or the other method. This could prevent the "decision makers" from doing what they believed would be in the State's own best interest to receive the lowest responsible total bid from whichever method prevailed in the market place.

At present one method has to be selected to the exclusion of the other. The proponents of the method not chosen are then given the ammunition they need to blame all the subsequent problems that may develop on any job on the method of bidding that was selected. In those instances when the option to bid bothways is used, contractors will have the choice of bidding their preferred method. They then would have no basis for being critical of the State for being mandated to bid one way or the other.

This option of bothways will also allow the Division of Architectural Services to gather comparative cost information.

This bill should not precipitate a debate about the relative merits of Single versus Separate. Both methods are now being used under present law and the legislature in its wisdom several years ago required that a prime coordinating contractor be designated for Separate contract projects.

"Bothways" has been used and is being used, so it isn't some experimental

(over)



Ex. C

method. I've actually bid on such projects right here in Kansas and it is working in New Jersey and has for over 14 years.

We should keep in mind that we are talking about public State work and not private sector work where owners may have special reasons for fast track, negotiating or other methods of bidding.

Also, factors affecting solicitation for bids for our State public building construction work is different from Federal solicitation for bids. Our Division of Architectural Services is aware of practically all of the general, mechanical and electrical contractors in Kansas, and their capabilities and reputations. This is different than for the Federal Government which may wish to delegate this solicitation for mechanical and electrical bids to a prime contractor.

You may also hear opposition to "bothways" based on the argument that mechanical and electrical contractors will refuse to bid to prime general contractors and thereby cause all work to be contracted Separate. I would point out that just the opposite could also occur, i.e., general contractors could also refuse to bid Separate and only bid Single thereby causing no Separate general contractor bid to exist to combine with the mechanical and electrical bids resulting in all work being contracted Single.

In real life neither of the above will happen. All contractors want work and they will bid the way that their chances are best for getting the job. This will take priority over their preference for bidding.

There is a built in incentive from "bothways" that will encourage compatible and cooperative general, mechanical and electrical contractors to voluntarily join together under one bid. The harmony from such a voluntary association should reduce jobsite costs and make the Single bid more competitive. Without the "bothways" option, this "voluntary incentive" to work together better is non-existent.

The State apparently puts a high priority on getting the lowest responsible bid or bids for building construction. "Bothways" may sometimes be the best way to achieve this priority.

I repeat for the purpose of emphasis that without the passage of SB 159, the State has no choice but to make an inflexible decision one way or the other and perhaps not always in the State's best interest.

I would urge passage of SB 159 to allow the State of Kansas this bidding option.

Thank you.

TESTIMONY
BEFORE THE
SENATE GOVERNMENTAL ORGANIZATION COMMITTEE
FEBRUARY 17, 1983
BY
ROBERT A. WEST
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

Mr. Chairman and Members of the Committee:

The members of N.E.C.A support the concepts of Senate Bill 159 which would allow for the option of bidding state projects as a whole and simultaneously bidding them independently for the electrical, mechanical and all other work required.

NECA does not wish to belabor the argument as to the value of separate bids over single bids or vice versa. We, of course, have a prejudice leaning heavily in favor of separate bids, but we also realize that many arguments have been thrown out in favor of both sides of the issue, and certainly, different situations merit different bidding concepts.

In our opinion, Senate Bill 159 simply tries to allow for the option of bidding a job both separately and singly. As the law now stands, jobs must be bid one way or the other.

Ex. D

Testimony
February 17, 1983
Page two

The bidding concept found in Senate Bill 159, in allowing contractors to bid in either manner, should certainly allow the State of Kansas to receive its most competitive price. For this reason, we think this bill should be acted upon favorably.

STATE OF KANSAS
CONSTRUCTION PROJECT NO. A-4449(d) (HTK-05,06,12)

C-1 of 7

DOCUMENT C - FORM OF BID (INCLUDES THE TOTAL WORK OF THE PROJECT)

SUBMITTED BY:

NAME OF COMPANY (PLEASE PRINT OR TYPE)

ATTACH CERTIFIED OR CASHIER'S CHECK HERE, WHEN FURNISHED IN LIEU OF A BID BOND.

SUBMIT TO:

Director, Division of Purchases
Department of Administration
Room 173N, State Office Building
915 Harrison Street
Topeka, Kansas 66612

SUBMIT FOR:

Medium Security Facility
Housing (HTK-05)
Control Tower (HTK-06)
Kitchen/Dining (HTK-12)
Kansas State Penitentiary
Lansing, Kansas

Sir:

Having received your Notice to Bidders and in compliance with the typed instructions to Bidders, the undersigned submits this offer to provide all the labor, equipment, materials, tools of trades and labor, accessories, appliances, guarantees and warranties and to pay all royalties, fees, permits, licenses and applicable taxes necessary for completing the Work for construction of the following described Project:

BASE BID (A LUMP SUM PROPOSAL):

The undersigned will complete the Work of General Construction for the Housing (HTK-05), Control Tower (HTK-06), and Kitchen/Dining Facilities (HTK-12), Kansas State Penitentiary, Lansing, Kansas, in accordance with the Construction Bid and Contract Documents as produced by the Project Architect and as distributed to the Bidders by the Department of Administration, Division of Purchases, for a total price of:

_____)
DOLLARS (\$ _____) X

This price is for the total Work of the Project, including that for the General, Mechanical (PHVA/C), Electrical, and Food Service portions of the construction.

Ex. E.

ALTERNATE BID PROPOSAL:

The undersigned offers for the Owner's consideration and possible use the following prices for specific Alternate Bid. These prices include all costs to the Owner including those for labor, materials, equipment, tools of trades and labor, appliances, accessories, warranties, guarantees, haulage, storage, insurances, fees, royalties, permits, licenses, applicable taxes, superintendency, overhead and profit and are to be added to (or deducted) from the above-quoted Base Bid price as indicated:

(H = Housing, KD = Kitchen/Dining)

ALTERNATE BID NUMBER H-1: (Light Fixture) ADD

\$

(Manufacturer's Name and Number)

ALTERNATE BID NUMBER H-2: (Handicap Lift)

\$

ALTERNATE BID NUMBER H-3: (Acoustical Ceiling):

\$

ALTERNATE BID NUMBER H-4: (Handrail-Guardrail System)

\$

ALTERNATE BID NUMBER H-5: (Plumbing Fixtures)

\$

ALTERNATE BID NUMBER KD-1: (Quarry Tile)

\$

ALTERNATE BID NUMBER KD-2: (Miscellaneous Finishes)

\$

ALTERNATE BID NUMBER KD-3: (Miscellaneous Finishes)

\$

ALTERNATE BID NUMBER KD-4: (Dining Room Completion and
Miscellaneous Equipment)

\$

ALTERNATE BID NUMBER KD-5: (Refrigeration Equipment)

\$

UNIT PRICES:

The Owner reserves the right to accept or reject any or all unit prices.

Unit prices include all labor, materials, bailing, shoring, removal, overhead, profit, insurance, etc., to cover the finished work. For each of the following items, an ADD unit price shall not exceed the DEDUCT unit price by more than 15%.

	<u>ADD</u>	<u>DEDUCT</u>
1. Price for formed concrete, reinforcing not included, per cubic yard.	_____	_____
2. Price for mass concrete, reinforcing not included, per cubic yard.	_____	_____
3. Price for reinforcing steel, per pound, installed.	_____	_____
4. Price for general earth excavation by machine. Based on disposal away from the site, per cubic yard.	_____	_____
5. Price for earth excavation by hand. Based on disposal away from the site, per cubic yard.	_____	_____
6. Price for compacted fill below/above depths indicated on drawings, per cubic yard.	_____	_____
7. Prices for any addition or reduction in total lineal feet of drilled piers as scheduled on the plan.		
2'-6" Diameter	_____	_____
3'-0" Diameter	_____	_____
3'-6" Diameter	_____	_____
8. Price for one lineal foot of 1" diameter jackhammer test hole at bottom of drilled pier excavation.	_____	_____

SUBSTANTIAL COMPLETION OF THE WORK:

The number of calendar days from the date specified in the Notice to Proceed to the date of Substantial Completion shall be as follows:

Base Bid: 500 Calendar Days

The following number of calendar days will be added to the BASE BID time if ALTERNATE proposals are accepted. (If more than one Alternate is accepted, ONLY the longest period of the Alternates accepted will be added.):

Alternate H-1:	Add	0 Days
Alternate H-2:	Add	20 Days
Alternate H-3:	Add	60 Days
Alternate H-4:	Add	60 Days
Alternate H-5:	Add	0 Days
Alternate KD-1:	Add	30 Days
Alternate KD-2:	Add	45 Days
Alternate KD-3:	Add	60 Days
Alternate KD-4:	Add	100 Days
Alternate KD-5:	Add	30 Days

ADDENDA:

The undersigned acknowledges receipt of the following Addenda:

#1 (____) #2 (____) #3 (____) #4 (____) NONE (____)

STATE TAX:

The undersigned attests that the Bidder is not in arrears in taxes due the State of Kansas.

The undersigned has included the cost of the Kansas Retailer Sales Tax in all quoted prices. It is the Bidder's understanding the Project is NOT EXEMPT from payment of the Kansas State Retail Sales Tax and that the cost of said tax must be included in all Bid and Contract Prices.

FEDERAL TAX:

The undersigned has included in the quoted prices the cost of Federal Excise Tax on all Items of Construction and Equipment subject to such Tax.

MAJOR SUB-CONTRACTORS:

The undersigned, for compliance with Kansas State Statute KSA 75-3741, as amended, lists and identifies the major subcontractors he has included as part of this Bid and further agrees that in the event of receiving the Awarded Contract for the Work identified and listed, and being acceptable to the Owner, will be included as a part of the written contract.

MECHANICAL CONSTRUCTION (BASE BID)

(Name and City of Sub-Contractor)

PLUMBING CONSTRUCTION (BASE BID)

ELECTRICAL CONSTRUCTION (BASE BID)

FOOD SERVICE (BASE BID)

SECURITY ELECTRONICS (BASE BID)

SUBCONTRACTORS IF ALTERNATES ACCEPTED

ELECTRICAL CONSTRUCTION (IF ALTERNATE H-1 ACCEPTED)

ELECTRICAL CONSTRUCTION (IF ALTERNATE H-2 ACCEPTED)

PLUMBING CONSTRUCTION (IF ALTERNATE H-5 ACCEPTED)

FOOD SERVICE (IF ALTERNATE KD-4 ACCEPTED)

MECHANICAL CONSTRUCTION (IF ALTERNATE KD-4 ACCEPTED)

PLUMBING CONSTRUCTION (IF ALTERNATE KD-4 ACCEPTED)

ELECTRICAL CONSTRUCTION (IF ALTERNATE KD-4 ACCEPTED)

MECHANICAL CONSTRUCTION (IF ALTERNATE KD-5 ACCEPTED)

PLUMBING CONSTRUCTION (IF ALTERNATE KD-5 ACCEPTED)

ELECTRICAL CONSTRUCTION (IF ALTERNATE KD-5 ACCEPTED)

AGREEMENTS:

The undersigned agrees to the following terms and conditions for Bidding:

1. An incomplete Bid, or information not requested written on the Form of Bid, may be cause for rejection.
2. A Bid will be considered incomplete and non-responsive that fails to quote a price for any Alternate Bid, or other Bid, identified and described on the Form of Bid. A price must be quoted in the space(s) provided for each Alternate Bid or other Bid. A "NO BID" or similar language on any Alternate Bid, or other Bid, will not be considered a Bid. The term "NO CHANGE" entered in space provided for an Alternate Bid, or other Bid, will be considered as a Bid, as will the figure "0.00".
3. The Bidder has read the Notice to Bidders and the Instructions to Bidders carefully.
4. The Director, Division of Purchases reserves the right to reject any and/or all Bids and to waive technicalities should such action be deemed to be in the best interest of the Owner.
5. The Owner reserves the right to accept and/or reject any and/or all Alternate Bids at the time of recommending an Award of Contract.
6. This Bid, as submitted, remains valid for sixty (60) calendar days following the Director of Purchases receipt, opening and publicly reading thereof.

PROJECT FUNDING (CONTRACT RIDER):

1. The undersigned agrees to signing a Rider to the Contract acknowledging that the total funding for this project will not be available at the time of an award.
2. This is a multi-fiscal year funded project as follows:
(State of Kansas fiscal year begins July 1.)
 - a) Funds available for FISCAL Year 1983 = \$3,095,420.00
 - b) Balance of project funds will be available after July 1, 1983.

DECLARATION:

The undersigned has carefully examined the Construction Bid and Contract Documents (includes Drawings and Specifications), has visited the actual location of the Work, has satisfied himself as to all conditions and understands that, in signing this Form of Bid, he waives all right to plead any misunderstanding regarding the same and agrees to be bound by the provisions of said Documents and all statements made therein.

SIGNATURE (AND CORPORATE SEAL, WHEN APPLICABLE):

DATED THIS _____ DAY OF _____, 1983.

LEGAL NAME OF PERSON, FIRM OR CORP.

(affix corporate seal)

ADDRESS OF THE ABOVE

TELEPHONE NUMBER

BY (SIGNATURE)

TITLE OF THE ABOVE

SCHEDULE OF OCCUPATIONAL CLASSIFICATIONS AND MINIMUM WAGE RATES:

The above signed acknowledges that portions of the funds for construction are from a Federal source, thus requiring that all labor and trades incorporated into the Work shall be compensated at the rates as determined by the U.S. Department of Labor, and as scheduled in their Decision No. 82-KS-367, Leavenworth County, Kansas, dated Friday, April 16, 1982, and as on file in the Federal Register Vol. 47, No. 74.

ACKNOWLEDGEMENT INITIALED

DATE OF INITIAL