



AN ACT REVISING CONTRACT REQUIREMENTS FOR CONSTRUCTION AND OTHER SERVICES AT STATE-OWNED WATER WORKS; EXTENDING RULEMAKING AUTHORITY; AMENDING SECTION 85-1-219, MCA; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 85-1-219, MCA, is amended to read:

"85-1-219. State-owned works -- department approval -- bids -- procurement of goods and services. (1) For all state-owned works constructed, repaired, altered, improved, maintained, rehabilitated, or reconstructed, the department shall:

- (a) review and approve all plans and working drawings prepared by engineers or architects, if any;
 - (b) approve all bond issues or other financial arrangements and supervise and approve the expenditure of all money;
 - (c) solicit, accept, and reject bids and award all contracts to the lowest qualified bidder, considering conformity with specifications and terms and reasonableness of bid amount;
 - (d) review and approve all change orders;
 - (e) accept the works when completed according to approved plans and specifications.
- (2) Except as provided in subsection (3), the department shall solicit sealed, competitive bids before awarding a contract under subsection (1) and may award a contract only after receipt of at least one bid, if reasonably available.

(3) The department may negotiate a contract, without competitive bidding, with a contractor qualified to do business in Montana if:

- (a) the department rejects all bids for the work;
- (b) an emergency threatening life or property exists;

~~(c) the proposed construction costs are \$50,000 or less;~~

~~(d)(c)~~ an exigency exists; or

~~(e)(d)~~ the cost of goods, nonconstruction services, or professional services is \$15,000 or less; ~~or~~

~~(f) the cost of architectural, engineering, and land surveying services is \$20,000 or less.~~

(4) (a) ~~Except as provided in subsection (4)(b), the~~The provisions of Title 18, chapter 2, parts 2 through 4, apply to contracts awarded for construction under this section.

~~(b) The provisions of Title 18, chapter 2, parts 2 and 3, do not apply to contracts for which the proposed construction costs are \$50,000 or less.~~

~~(e)(b)~~ The requirements of Title 18, chapter 4, do not apply to contracts for which the cost of goods or nonconstruction services is \$15,000 or less.

~~(d)(c)~~ (i) Except as provided in subsection (4)~~(d)(c)~~(ii), the department may contract for professional services by direct negotiation when the cost of professional services covered by the contract does not exceed \$15,000.

(ii) The department may contract for architectural, engineering, and land surveying services by direct negotiation when the cost of the services covered by the contract does not exceed ~~\$20,000~~ the limits provided in Title 18, chapter 8, part 2.

(iii) The department may not separate service contracts or split or break projects for the purpose of circumventing the provisions of Title 18, chapter 8, part 2."

Section 2. Effective date. [This act] is effective July 1, 2023.

- END -

I hereby certify that the within bill,
HB 122, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2023.

President of the Senate

Signed this _____ day
of _____, 2023.

HOUSE BILL NO. 122

INTRODUCED BY K. WALSH

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

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