

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Dowd**

A BILL ACT 728 OF 1991
HOUSE BILL 2029

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 22-9-204 TO INCREASE THE
9 BASE BID AMOUNT FROM TWENTY THOUSAND DOLLARS (\$20,000) TO
10 FIFTY THOUSAND DOLLARS (\$50,000) FOR LISTING
11 SUBCONTRACTORS ON PUBLIC WORKS PROJECTS AND TO SIMPLIFY
12 THE SEALED ENVELOPE REQUIREMENTS FOR THE SUBCONTRACTORS
13 LIST; AND FOR OTHER PURPOSES."

14
15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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17 SECTION 1. Arkansas Code § 22-9-204 is hereby amended to read as
18 follows:

19 "22-9-204. Improvements exceeding \$50,000 - Subcontractors - Penalty.

20 (a) In each instance where the total bid amount submitted by the
21 licensed prime contractor exceeds fifty thousand dollars (\$50,000), all prime
22 contractors, as a condition to perform construction work for and in the State
23 of Arkansas, shall use no other subcontractors except those licensed by the
24 State Contractors Licensing Board and qualified in:

25 (1) Mechanical, indicative of heating, air conditioning, and
26 ventilating;

27 (2) Plumbing;

28 (3) Electrical, indicative of wiring and illuminating fixtures;

29 and

30 (4) Roofing and sheet metal work, indicative of roofing
31 application.

32 (b) In the event the prime contractor is qualified and licensed by the
33 Arkansas State Contractors Licensing Board, he may use his own forces to
34 perform those tasks listed in this section as subcontractors in one (1) or
35 more of the trades listed.

36 (c) (1) When the prime contractor makes a definite decision regarding

1 the subcontractors he intends to use, he shall:

2 (A) Place the names of each subcontractor in a blank space
3 to be provided on the form of proposal of his bid; and

4 (B) Place the name and amount of each of the above-listed
5 subcontractors, including his own estimate of that portion of the work where
6 he lists himself as a subcontractor, in a separate sealed envelope to
7 accompany the proposal.

8 (2) This separate sealed envelope is not to be opened unless one
9 (1) or more of the subcontractors named by the prime contractor in his
10 successful bid thereafter refuses to perform his contract or offered contract;

11 (3) In that event, the prime contractor may substitute another
12 subcontractor, licensed by the Arkansas State Contractors Licensing Board,
13 after having obtained prior approval from the architect or engineer, the
14 owner, and the Office of Construction of State Building Services.

15 (d) The prime contractor shall submit written evidence that the
16 substituted contractor is costing the same amount of money as shown in the
17 separate sealed envelope or less and, if costing less, that the savings will
18 be deducted from the total contract of the prime contractor and rebated to the
19 owner.

20 (e) It shall be mandatory that the mechanical, plumbing, electrical,
21 roofing, and sheet metal subcontractors named on the form of proposal by the
22 prime contractor awarded a contract under the provisions of this subchapter be
23 given contracts by the prime contractor in keeping with their proposals to
24 perform the items for which they were named.

25 (f)(1) It shall be a violation of this section for any prime contractor
26 to submit a bid listing unlicensed contractors or to use unlicensed
27 contractors on a public works project.

28 (2) It shall be a violation of this section for any subcontractor
29 who is not licensed by the Contractors Licensing Board to contract to perform
30 work on a public works project.

31 (3) Any contractor or subcontractor who, after notice and
32 hearing, is found to have violated this section shall pay to State Building
33 Services a civil penalty of not less than two hundred fifty dollars (\$250) and
34 not more than five hundred dollars (\$500), and may be suspended from bidding
35 future public works contracts for a term of not less than six (6) months nor

