

1 State of Arkansas  
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4

As Engrossed: S3/16/17 S3/16/17

# A Bill

SENATE BILL 521

5 By: Senator Hickey  
6 By: Representative Hammer  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAWS RELATING TO PUBLIC  
10 CONTRACTS; TO AMEND THE PROCESS AND REQUIREMENTS FOR  
11 REQUESTS FOR PROPOSALS AND REQUESTS FOR  
12 QUALIFICATIONS; TO LIMIT THE TERM OF PUBLIC  
13 CONTRACTS; TO REQUIRE CERTAIN DISCLOSURES BY MEMBERS  
14 OF AN EVALUATION COMMITTEE AND BY OFFERORS; TO  
15 REQUIRE THE PROMULGATION OF RULES REGARDING THE  
16 CHANGES TO THE PROCUREMENT LAWS; AND FOR OTHER  
17 PURPOSES.

## Subtitle

21 TO AMEND THE PROCESS AND REQUIREMENTS FOR  
22 REQUESTS FOR PROPOSALS AND REQUESTS FOR  
23 QUALIFICATIONS; TO LIMIT THE TERM OF  
24 PUBLIC CONTRACTS; AND TO REQUIRE CERTAIN  
25 DISCLOSURES IN PROCURING PUBLIC  
26 CONTRACTS.

29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

31 SECTION 1. Effective July 1, 2018, Arkansas Code § 19-4-704(a),  
32 concerning the prohibition on paying obligations without an appropriation, is  
33 amended to read as follows:

34 (a)(1) ~~No obligations will~~ An obligation shall not be paid from  
35 appropriated funds until the General Assembly ~~shall have~~ has made an  
36 appropriation for that purpose; ~~nor shall any.~~



1           (2) A state agency shall not enter into any a contract which  
 2 would contemplate that permits payments under the contracts would contract to  
 3 be made beyond after the expiration of the biennial period unless the:

4           (A) The General Assembly, prior to before the expiration  
 5 of the biennial period, makes an appropriation for that purpose,; or in the  
 6 ease of

7           (B) A written determination has been made by the State  
 8 Procurement Director concerning multiyear contracts for commodities or  
 9 services under § 19-11-238, a determination in writing has been made prior to  
 10 use stating that the:

11           ~~(1) (i)~~ Estimated requirements cover the period of  
 12 the contract and are reasonably firm and continuing; and

13           ~~(2) Such a contract would serve~~ (ii) Contract is in  
 14 the best interests interest of the state by encouraging:

15                           (a) Encouraging effective competition or  
 16 otherwise promoting;

17                           (b) Promoting economies in state procurement;  
 18 or

19                           (c) Providing a substantial cost avoidance or  
 20 savings to the state.

21           (b) ~~In no event shall any obligations~~ Obligations shall not be  
 22 incurred unless there are sufficient funds or an approved federal grant on  
 23 hand, or estimated to become available, to meet the obligations when they  
 24 become due.

25  
 26           SECTION 2. Effective July 1, 2018, Arkansas Code § 19-4-705(a),  
 27 concerning obligations being limited to funds available, is amended to read  
 28 as follows:

29           (a) ~~No A~~ A state agency for which regular operating appropriations are  
 30 made on a fiscal-year basis shall not: incur any obligations

31                           (1) Incur an obligation under the appropriations unless, to  
 32 satisfy the obligation, there are:

33                           (A) Are funds on hand or;

34                           (B) Is an approved federal grant,; or

35                           (C) Is funding or one (1) or more grants that are

36 estimated to become available, during the fiscal year for the payment of the

1 obligation; ~~nor shall any agency; or~~

2 ~~(2) create any~~ Create an obligation in one (1) fiscal year ~~which~~  
3 that will make it necessary to use the revenues of the following fiscal year  
4 in order to meet the obligation except in the case of multiyear contracts for  
5 commodities or services and as provided in §§ 19-4-707 and 19-11-238.

6  
7 SECTION 3. Effective July 1, 2018, Arkansas Code § 19-4-707 is amended  
8 to read as follows:

9 19-4-707. Obligations for improvements.

10 ~~(a) Notwithstanding the fact that no disbursements may~~ A disbursement  
11 shall not be made during any fiscal period in excess of the appropriations  
12 made available by the General Assembly for the fiscal period, ~~it is~~ except as  
13 provided that for contracts for ~~improvements~~ which an appropriation has been  
14 made available for that purpose, including without limitation:

15 (1) Improvements, including major repairs, alterations, and  
16 construction of new buildings and facilities ~~may be let to the extent of the~~  
17 ~~appropriations made available for those purposes for the biennial period; and~~

18 (2) Multiyear contracts under § 19-11-238.

19 ~~(b) However, no such contracts may~~ a contract shall not be ~~let in~~  
20 ~~amounts exceeding~~ entered into for an amount that exceeds the probable funds;  
21

22 (1) Currently available; ~~or which are estimated~~

23 (2) Estimated to become available during the fiscal period.

24 SECTION 4. Effective July 1, 2018, Arkansas Code § 19-4-1103(a),  
25 concerning the responsibilities of agency heads related to the approval of  
26 expenditures, is amended to read as follows:

27 (a) It ~~shall be~~ is the responsibility of each executive head of a  
28 state agency to ~~establish;~~

29 (1) Establish adequate internal administrative procedures and  
30 controls ~~to ensure;~~

31 (2) Ensure prompt and accurate payment of obligations in order  
32 to promote good public relations; ~~and to take~~

33 (3) Take advantage of all available discounts, including  
34 without limitation the discounts available under § 19-11-238; and

35 ~~(4) It shall also be the responsibility of each executive head~~  
36 ~~of a state agency to establish~~ Establish adequate administrative procedures

1 to ensure that all financial transactions of the state agency are posted in  
2 the state's financial management system in accordance with procedures  
3 established by the Chief Fiscal Officer of the State.  
4

5 SECTION 5. Arkansas Code § 19-11-204(10), concerning definitions  
6 concerning source selection and contract formation under the Arkansas  
7 Procurement Law, is amended to read as follows:

8 (10)~~(A)~~ "Request for qualifications" means a solicitation  
9 document requiring submittal of qualifications or specialized expertise under  
10 § 19-11-801 et seq. in response to the scope of work or services required ~~and~~  
11 ~~does not require pricing.~~

12 ~~(B) Other than as provided in § 19-11-801 et seq., the~~  
13 ~~request for qualifications process may only be used when, under rules~~  
14 ~~promulgated by the State Procurement Director, the director determines in~~  
15 ~~writing that the request for qualifications process is warranted;~~  
16

17 SECTION 6. Arkansas Code § 19-11-230 is amended to read as follows:

18 19-11-230. Competitive sealed proposals – Definition – Requirements.

19 (a) Definition. "Competitive sealed proposals" means a method of  
20 procurement ~~which~~ that involves, but is not limited to:

21 (1) Solicitation of proposals through a request for proposals;

22 (2) Submission of cost or pricing data from the ~~offeror where~~  
23 ~~required~~ offerors;

24 (3) Discussions and negotiations with responsible offerors whose  
25 proposals have been determined to be reasonably susceptible to being selected  
26 for award; and

27 (4) An award made to the responsible offeror whose proposal is  
28 determined in writing to be the most advantageous considering price, ~~and~~  
29 other evaluation factors ~~set forth~~ stated in the request for proposals, and  
30 the results of any discussions and negotiations conducted with responsible  
31 offerors.

32 (b) When the use of competitive sealed bidding is not practicable and  
33 advantageous, a contract may be awarded by competitive sealed proposals.

34 (c)(1) Public notice of the request for proposals shall be given ~~in~~  
35 ~~the same manner as provided in § 19-11-229(d), which refers to public notice~~  
36 ~~of competitive sealed bidding~~ at least fourteen (14) days before the

1 evaluation process begins.

2 (2) If a request for proposals is amended, the evaluation  
3 process for the proposals submitted in response to the request for proposals  
4 shall not begin unless notice of the amended request for proposals, including  
5 without limitation the substance of the amended request for proposals, is  
6 provided at least seven (7) calendar days before the evaluation process  
7 begins.

8 (3) Notice under this subsection shall:

9 (A) Be given by:

10 (i) Posting the request for proposals, including a  
11 request for proposals performed outside of the Office of State Procurement,  
12 on the official website of the office; and

13 (ii) Any additional means of advertising deemed  
14 appropriate;

15 (B) Include a description of the commodities or services  
16 to be procured; and

17 (C) State how, when, and where the:

18 (i) Request for proposals may be obtained; and

19 (ii) Proposals should be submitted.

20 (d)(1) The request for proposals shall indicate the relative  
21 importance of price and other evaluation factors.

22 (2)(A) Except as provided under subdivision (d)(2)(B) of this  
23 section, price shall receive at least thirty percent (30%) of the total  
24 weight of the evaluation factors.

25 (B) The total weight given to price in an evaluation may  
26 be less than thirty percent (30%) if approved by:

27 (i)(a) The Governor if the request for proposals is  
28 issued by a state agency.

29 (b) A state agency that received approval  
30 under this subdivision (d)(2)(B)(i) shall notify the Legislative Council or,  
31 if the General Assembly is in session, the Joint Budget Committee, of the  
32 total weight approved by the Governor; or

33 (ii) A vote of more than fifty percent (50%) of the  
34 members of the governing body of an institution of higher education or a  
35 political subdivision if the request for proposals is issued by an  
36 institution of higher education or a political subdivision.

1 (e)(1) Before the evaluation process begins:

2 (A) Each offeror shall disclose in writing:

3 (i) Any conflicts of interest; and

4 (ii) Any pending litigation that pertains to the  
5 subject of the request for proposals in which the offeror or any of its  
6 affiliates or subsidiaries is a party; and

7 (B)(i) The identity of the members of the evaluation  
8 committee shall be disclosed to the offerors.

9 (ii)(a) The offerors shall have five (5) business  
10 days to protest the participation of any member of the evaluation committee.

11 (b) A protest under this subdivision  
12 (e)(1)(B)(ii) is limited to a protest regarding a perceived bias of the  
13 member of the evaluation committee as the result of a familial relationship  
14 or a financial interest of the member of the evaluation committee, an  
15 immediate family member of the member of the evaluation committee, or a  
16 business organization owned in part by the member of the evaluation committee  
17 or an immediate family member of the member of the evaluation committee.

18 (c) The burden of proving the existence of a  
19 bias under this subdivision (e)(1)(B)(ii) is on the offeror filing the  
20 protest.

21 (iii)(a) After the identity of the members of the  
22 evaluation committee are disclosed under this subdivision (e)(1)(B), any  
23 person who has a financial interest in the awarding of a contract based on  
24 the proposals being evaluated by the identified members of the evaluation  
25 committee shall not contact a member of the evaluation committee in any way.

26 (b) Persons prohibited from contacting members  
27 of the evaluation committee under this subdivision (e)(1)(B)(iii) include  
28 without limitation an officer, employee, or agent of an offeror that  
29 submitted a proposal being evaluated by the committee; an officer, employee,  
30 or agent of a parent, subsidiary, or affiliate of an offeror that submitted a  
31 proposal being evaluated by the committee; a lobbyist employed by an offeror  
32 that submitted a proposal being evaluated by the committee; and a lobbyist  
33 employed by a parent, subsidiary, or affiliate of an offeror that submitted a  
34 proposal being evaluated by the committee.

35 (2) Each member of the evaluation committee shall:

36 (A) Evaluate the proposals independently before meeting or

1 discussing the proposals with any other member of the evaluation committee;  
2 (B) Document the specific justification for any  
3 modification made to his or her scoring during or after the consensus meeting  
4 of the evaluation committee; and

5 (C) In accordance with § 19-11-701 et seq., disclose in  
6 writing any potential conflict of interest as soon as the member is aware of  
7 the potential conflict of interest.

8 ~~(e)(1) As provided in the request for proposals and under regulations,~~  
9 ~~discussions may~~ (f)(1) Discussions may be conducted with responsible  
10 offerors who submit proposals determined to be reasonably susceptible of  
11 being selected for award for the purpose of ~~clarification~~;

12 (A) Clarifying the solicitation requirements to assure  
13 full understanding of, and responsiveness to, the solicitation requirements;  
14 and

15 (B) Negotiating a contract that is the most advantageous  
16 to the state.

17 (2) ~~Offerors~~ Responsible offerors who are reasonably susceptible  
18 of being selected for award shall be accorded fair and equal treatment with  
19 respect to ~~any~~ the opportunity for discussion, negotiation, and revision of  
20 proposals, and such revisions ~~may~~ shall be permitted after submissions and  
21 ~~prior to~~ before award for the purpose of obtaining the best and final ~~offers~~  
22 offer from each offeror.

23 (3) In conducting discussions and negotiations, ~~there shall be~~  
24 ~~no disclosure of any~~ information derived from proposals submitted by  
25 competing offerors shall not be disclosed.

26 ~~(f)(1)~~ (g)(1) Award shall be made to the responsible offeror whose  
27 proposal is determined in writing to be the most advantageous to the state,  
28 taking into consideration price, the other evaluation factors ~~set forth~~  
29 stated in the request for proposals, and the results of ~~any~~ the discussions  
30 and negotiations conducted with responsible offerors.

31 (2) No other factors or criteria shall be used in the  
32 evaluation.

33 ~~(g)~~ (h) A competitive sealed proposal may be cancelled or any or all  
34 proposals may be rejected in writing by the State Procurement Director or the  
35 agency procurement official.

36

1 SECTION 7. Arkansas Code § 19-11-234(b)(1), concerning competitive  
2 bidding under the Arkansas Procurement Law, is amended to read as follows:

3 (b)(1) ~~Contracts in which the~~ Competitive bidding may be used to  
4 solicit a contract if:

5 (A) The purchase price exceeds ten thousand dollars  
6 (\$10,000) and is less than or equal to fifty thousand dollars (\$50,000) may  
7 be awarded by use of competitive bidding procedures; or

8 (B) The contract will be with a professional person  
9 selected from a qualified vendor list under § 19-11-804.

10  
11 SECTION 8. Arkansas Code § 19-11-235(a)(1), concerning the  
12 responsibility of bidders and offerors under the Arkansas Procurement Law, is  
13 amended to read as follows:

14 (a)(1)(A) A determination of nonresponsibility of a bidder or offeror  
15 shall be made in accordance with regulations rules promulgated by the State  
16 Procurement Director.

17 (B) However, in determining the responsibility of a bidder  
18 or offeror, the following shall be considered in addition to any factors  
19 identified in a rule promulgated by the director:

20 (i) The past performance of the bidder or offeror;  
21 and

22 (ii) Any conflicts of interest of the bidder or  
23 offeror.

24  
25 SECTION 9. Effective July 1, 2018, Arkansas Code § 19-11-238(a),  
26 concerning multiyear contracts under the Arkansas Procurement Law, is amended  
27 to read as follows:

28 (a) Specified Period.

29 (1) ~~Unless~~ Except as otherwise provided by law in this section  
30 and § 24-2-618, a contract for commodities or services may be entered into  
31 for periods of not more than seven (7) up to four (4) years if funds for the  
32 first fiscal year of the contemplated contract are available at the time of  
33 contracting.

34 (2)(A) If a contract is entered into for four (4) years, before  
35 the fourth year of the contract expires, the state agency may solicit a  
36 request for information to determine whether the contract that is about to



1 expire is competitively priced.

2 (B) After soliciting a request for information under this  
3 subdivision (a)(2), the state agency may extend the contract that is about to  
4 expire for up to three (3) additional years if funds for the first fiscal  
5 year of the contemplated extension are available at the time of contracting  
6 and the state agency determines that:

7 (i) The contract about to expire is competitively  
8 priced;

9 (ii) Extending the contract that is about to expire  
10 would be more advantageous to the state than conducting a new procurement  
11 process for the contract at the end of the four-year period; and

12 (iii) The vendor currently under contract has  
13 received satisfactory vendor performance reports.

14 (C) A state agency that extends a contract under this  
15 subdivision (a)(2) shall inform the State Procurement Director in writing of  
16 the extension, including without limitation:

17 (i) The length of the extension;

18 (ii) The method the state agency used to distribute  
19 the request for information;

20 (iii) The number of responses received from the  
21 request for information; and

22 (iv) The pricing information included in each  
23 submission received in response to the request for information.

24 (3) A contract for commodities or services may be entered into  
25 for up to ten (10) years if:

26 (A) Funds for the first fiscal year of the contemplated  
27 contract are available at the time of contracting;

28 (B) The total projected contract amount, including any  
29 amendments and possible extensions, is at least twenty million dollars  
30 (\$20,000,000); and

31 (C) The director approves the length of the contract based  
32 on a written determination that the extended contract period is likely to  
33 result in substantial:

34 (i) Savings to the state by avoiding, reducing, or  
35 amortizing nonrecurring startup costs over the life of the contract; or

36 (ii) Cost avoidance or savings to the state, as

1 explicitly identified in writing by the director.

2 (4) A technology maintenance agreement or software maintenance  
3 agreement that offers a discount of at least twenty percent (20%) if paid in  
4 advance may be entered into for up to:

5 (A) Seven (7) years as provided under subdivision (a)(2)  
6 of this section; or

7 (B) Ten (10) years as provided under subdivision (a)(3) of  
8 this section.

9 (5) Payment and performance obligations for succeeding fiscal  
10 years shall be subject to the availability and appropriation of funds  
11 ~~therefor.~~

12  
13 SECTION 10. Arkansas Code § 19-11-239(3), concerning the finality of  
14 determinations required by certain portions of the Arkansas Procurement Law,  
15 is amended to read as follows:

16 (3) Section ~~19-11-230(f)~~ 19-11-230(g), which refers to  
17 competitive sealed proposals, award;

18  
19 SECTION 11. Arkansas Code § 19-11-268(b)(1), concerning the  
20 requirements for vendor performance reporting under the Arkansas Procurement  
21 Law, is amended to read as follows:

22 (1) Completed and submitted:

23 (A) At least one (1) time every ~~three (3) months~~ quarter  
24 for the entire term of the contract; and

25 (B) At the end of the contract;

26  
27 SECTION 12. Arkansas Code Title 19, Chapter 11, Subchapter 2, is  
28 amended to add additional sections to read as follows:

29 19-11-273. Expert evaluator – Definition.

30 (a)(1) As used in this section, “expert evaluator” means an individual  
31 who, through education or experience, or both, has special expertise,  
32 experience, or training in the subject matter area of the solicited  
33 procurement.

34 (2) An expert evaluator may be an employee, volunteer, or  
35 contractor.

36 (b) A state agency shall:

1 (1) Include at least one (1) expert evaluator on an evaluation  
2 committee for the purpose of evaluating responses to a request for proposals  
3 or a request for qualifications for a contract that:

4 (a) Is for services that will require a high level of  
5 knowledge or expertise in a particular skill area; and

6 (b) Will have a total projected contract amount, including  
7 any amendments and possible extensions, of at least ten million dollars  
8 (\$10,000,000); or

9 (2) Assemble an evaluation committee composed of at least sixty  
10 percent (60%) of expert evaluators for the purpose of evaluating responses to  
11 a request for proposals or a request for qualifications for a contract that:

12 (a) Is for services that will require a high level of  
13 knowledge or expertise in a particular skill area; and

14 (b) Will have a total projected contract amount, including  
15 any amendments and possible extensions, of at least one hundred million  
16 dollars (\$100,000,000).

17 (c) If one (1) or more expert evaluators are used as required under  
18 subsection (b) of this section, the state agency may:

19 (1) Pay the cost of the expert evaluators from any funds  
20 available and authorized for that purpose; or

21 (2)(A) Require the payment of a fee to cover the cost of using  
22 the expert evaluators by each offeror at the time the offeror submits a  
23 response to the state agency's request for proposals or request for  
24 qualifications.

25 (B) If the total amount of the fees collected by the state  
26 agency for any expert evaluators required under this section exceeds the  
27 actual cost of hiring the expert evaluators, the state agency shall refund  
28 the excess fees on a pro rata basis to each offeror that paid the fee.

29 (d) An expert evaluator that is:

30 (1) Employed for the sole purpose of evaluating a solicitation  
31 under this section is exempt from § 21-3-802; or

32 (2) Contracted with for the sole purpose of evaluating a  
33 solicitation under this section is exempt from the Arkansas Procurement Law,  
34 § 19-11-201 et seq., and § 19-11-801 et seq.

35  
36 19-11-274. Review of certain contracts by attorneys.

1 (a) A proposed contract for goods or services shall be reviewed by an  
2 attorney at the Office of State Procurement or the Attorney General's office  
3 before the contract is executed if the total projected contract amount,  
4 including any amendments and possible extensions, is at least ten million  
5 dollars (\$10,000,000).

6 (b)(1) As part of the solicitation for the contract, a state agency  
7 may require each vendor submitting a response to the solicitation to pay a  
8 fee to reimburse the Office of State Procurement or the Attorney General's  
9 office for the review of the proposed contract at the time the vendor submits  
10 a response to the state agency's solicitation.

11 (2) If the total amount of fees collected by the state agency  
12 for review of the proposed contract under this subsection exceeds the actual  
13 cost of reimbursement, the state agency shall refund the excess fees on a pro  
14 rata basis to each vendor that paid a fee.

15  
16 19-11-275. Public notice of solicitation opportunities.

17 The Office of State Procurement shall publish a notice at least one (1)  
18 time per month in a newspaper having general circulation in the state of the  
19 website address where the public may view currently available solicitation  
20 opportunities for competitive sealed bids, competitive sealed proposals, and  
21 requests for qualifications.

22  
23 SECTION 13. Arkansas Code §§ 19-11-801 – 19-11-805 are amended to read  
24 as follows:

25 19-11-801. Policy – Definitions – Rules.

26 (a)(1)(A) It is the policy of the State of Arkansas that Except as  
27 otherwise provided in this section, state agencies, state-supported  
28 institutions of higher education, and political subdivisions shall follow the  
29 procedures stated in this section, except that subchapter.

30 (B) However, in addition to the request for qualifications  
31 method of procurement permitted under this subchapter, competitive bidding  
32 under § 19-11-234, competitive sealed bidding under § 19-11-229, and  
33 competitive sealed proposals under § 19-11-230 may ~~shall not~~ be used for the  
34 procurement of legal, architectural, engineering, construction management,  
35 and land surveying professional consultant services if+ desired by the state  
36 agency, the state-supported institution of higher education, or the political

1 subdivision.

2 ~~(1) State agencies~~ (2) A state agency that is not exempt from  
3 review and approval of the Building Authority Division of the Department of  
4 Finance and Administration shall follow procedures established by the  
5 division for the procurement of architectural, engineering, land surveying,  
6 and construction management services; ~~and.~~

7 ~~(2) Institutions of higher education exempt from review and~~  
8 ~~approval of the division shall follow procedures established by their~~  
9 ~~governing boards for the procurement of architectural, engineering, land~~  
10 ~~surveying, and construction management professional consultant services.~~

11 (b) ~~It is the policy of the State of Arkansas and its political~~  
12 ~~subdivisions that political subdivisions shall follow the procedures stated~~  
13 ~~in this section, except that competitive bidding shall not be used for the~~  
14 ~~procurement of legal, financial advisory, architectural, engineering,~~  
15 ~~construction management, and land surveying professional consultant services.~~  
16 The request for qualifications method of procurement stated in this  
17 subchapter shall be used only when:

18 (1) The price for the service being procured is predetermined by  
19 law or by the state agency or political subdivision;

20 (2) It is necessary to secure a qualified vendor list; or

21 (3) The contract being procured is one hundred percent (100%)  
22 funded by federal funds.

23 ~~(c) For purposes of this subchapter, a political subdivision of the~~  
24 ~~state may elect to not use competitive bidding for other professional~~  
25 ~~services not listed in subsection (b) of this section with a two thirds (2/3)~~  
26 ~~vote of the political subdivision's governing body.~~

27 ~~(d)(1)~~ (c)(1) As used in this section, "construction management" means  
28 a project delivery method based on an agreement in which a state agency,  
29 political subdivision, public school district, or institution of higher  
30 education acquires from a construction entity a series of services that  
31 include, but are not limited to, design review, scheduling, cost control,  
32 value engineering, constructability evaluation, preparation and coordination  
33 of bid packages, and construction administration.

34 (2) "Construction management" includes, ~~but is not limited to~~  
35 without limitation:

36 (A)(i) "Agency construction management", in which a public

1 school district selects a construction manager to serve as an agent for the  
2 purpose of providing administration and management services.

3 (ii) The construction manager shall not hold  
4 subcontracts for the project or provide project bonding for the project;

5 (B) "At-risk construction management", in which the  
6 construction entity, after providing agency services during the  
7 preconstruction period, serves as the general contractor and the following  
8 conditions are met:

9 (i) The construction manager provides a maximum  
10 guaranteed price;

11 (ii) The public school district holds all trade  
12 contracts and purchase orders; and

13 (iii) The portion of the project not covered by the  
14 trade contracts is bonded and guaranteed by the construction manager; and

15 (C)(i) "General contractor construction management", in  
16 which the construction entity, after providing agency services during the  
17 preconstruction period, serves as the general contractor.

18 (ii) The general contractor shall hold all trade  
19 contracts and purchase orders and shall bond and guarantee the project.

20 ~~(e)~~ (d) As used in this subchapter:

21 (1) "Competitive bidding" means the procurement method  
22 established under § 19-11-234;

23 (2) "Political subdivision" means counties, school districts,  
24 cities of the first class, cities of the second class, and incorporated  
25 towns; and

26 ~~(2) "Other professional services" means professional services~~  
27 ~~not listed in subsection (b) of this section as defined by a political~~  
28 ~~subdivision with a two thirds (2/3) vote of its governing body.~~

29 (3) "Professional person" means an individual, corporation,  
30 organization, or other legal entity licensed or certified to engage in an  
31 occupation that requires a high level of training or expertise;

32 (4) "Qualified vendor list" means a list of professional  
33 persons, all of which:

34 (A) Meet the qualifications identified in a request for  
35 qualifications;

36 (B) Agree to the terms of the request for qualifications;

1 and

2 (C) Are willing and able to provide the services necessary  
3 to meet a scope of work specified in the request for qualifications; and

4 (5) "Request for qualifications" means a solicitation document  
5 requiring submittal of qualifications or specialized expertise under this  
6 subchapter in response to the scope of work or services required.

7 (e) The State Procurement Director shall promulgate rules to  
8 administer this subchapter.

9  
10 19-11-802. Annual statements of qualifications and performance data –  
11 Restrictions on competitive bidding.

12 (a)(1) In the procurement of professional services, a state agency, a  
13 state-supported institution of higher education, or a political subdivision  
14 which utilizes these that uses the professional services may issue a request  
15 for qualifications to encourage firms engaged in the lawful practice of these  
16 professions to submit annual statements of qualifications and performance  
17 data to the state agency, state-supported institution of higher education, or  
18 political subdivision or may request such information issue a request for  
19 qualifications as needed for a particular public project.

20 (2) A professional person may be removed from a qualified vendor  
21 list if the professional person:

22 (A) Fails to perform at a satisfactory level as determined  
23 by the state agency;

24 (B) Fails to provide annual statements of qualifications  
25 and performance data as requested; or

26 (C) Requests to be removed.

27 (3) If a state agency, state supported institution of higher  
28 education, or political subdivision secures a qualified vendor list under  
29 this subchapter, the state agency, state-supported institution of higher  
30 education, or political subdivision shall annually reissue the original  
31 request for qualifications and provide an opportunity for additional  
32 professional persons to be added to the qualified vendor list.

33 ~~(b) The state agency or political subdivision shall evaluate current~~  
34 ~~statements of qualifications and performance data of firms on file or may~~  
35 ~~request such information as needed for a particular public project whenever a~~  
36 ~~project requiring professional services is proposed. In submitting a request~~

1 for qualifications under subsection (a) of this section, a state agency or a  
2 political subdivision shall give public notice of the request in the same  
3 manner as provided in § 19-11-230.

4 ~~(c)(1) The political subdivision shall not use competitive bidding for~~  
5 ~~the procurement of legal, financial advisory, architectural, engineering,~~  
6 ~~construction management, and land surveying professional consulting services.~~

7 ~~(2) A political subdivision shall not use competitive bidding for the~~  
8 ~~procurement of other professional services with a two thirds (2/3) vote of~~  
9 ~~its governing body.~~

10 ~~(d)(1) (c)(1)(A)~~ A public school district that utilizes construction  
11 management services ~~shall~~ may issue a request for qualifications to encourage  
12 construction management firms to submit to the school district annual  
13 statements of qualifications and performance data or may ~~request such~~  
14 ~~information~~ issue a request for qualifications as needed for a particular  
15 public project.

16 (B) If a public school district secures a qualified vendor  
17 list under this subchapter, the public school district shall reissue annually  
18 the original request for qualifications and provide an opportunity for  
19 additional professional persons to be added to the qualified vendor list.

20 (2) ~~The public school district shall evaluate current statements~~  
21 ~~of qualifications and performance data on file with the school district or~~  
22 ~~when submitted as requested whenever a project requiring professional~~  
23 ~~services of a construction manager is proposed. In submitting a request for~~  
24 qualifications under subdivision (d)(1) of this section, a public school  
25 district shall give public notice of the request in the same manner as  
26 provided in § 19-11-230.

27 ~~(3) The public school district shall not use competitive bidding~~  
28 ~~for the procurement of professional services of a construction manager.~~

29 (e) If a request for qualifications is amended, the evaluation process  
30 for the statements of qualifications and performance data submitted in  
31 response to the request for qualifications shall not begin unless notice of  
32 the amended request for qualifications, including without limitation the  
33 substance of the amended request for qualifications, is provided at least  
34 seven (7) calendar days before the evaluation process begins.

35 (f) A request for qualifications may be used only as provided in this  
36 subchapter.



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19-11-803. Evaluation of qualifications.

In evaluating the qualifications of each firm submitting a response to a request for qualifications under this subchapter, the state *agency, the state-supported institution of higher education*, or the political subdivision shall consider:

(1) The specialized experience and technical competence of the firm with respect to the type of professional services required;

(2) The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;

(3) The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules and deadlines; and

(4) The firm's proximity to and familiarity with the area in which the project is located.

19-11-804. Selection.

(a)(1) The If a state agency, a state-supported institution of higher education, or a political subdivision issues a request for qualifications under this subchapter, the state agency, the state-supported institution of higher education, or the political subdivision shall select at least three (3) qualified firms based on the evaluation of the statements of qualifications and performance data received under § 19-11-802.

(2) If a state agency, a state-supported institution of higher education, or a political subdivision receives fewer than three (3) responses to a request for qualifications from professional persons, the state agency, the state-supported institution of higher education, or the political subdivision shall select all qualified professional persons.

(b)(1) The If the request for qualifications was issued under § 19-11-801(b)(1) or § 19-11-801(b)(3), the state agency, the state-supported institution of higher education, or the political subdivision shall then select the firm considered the best-qualified and capable of performing the desired work and negotiate a contract for the project with the firm selected.

(2) If the request for qualifications was issued to professional persons based on a qualified vendor list under § 19-11-801(b)(2), the state

1 agency, the state-supported institution of higher education, or the political  
2 subdivision shall:

3 (A) Use competitive bidding to select the professional  
4 person from the qualified vendor list that is considered the best-qualified  
5 and capable of performing the desired work for the lowest price; and

6 (B) Negotiate a contract for the project under § 19-11-805  
7 with the professional person selected.

8

9 19-11-805. Negotiation of contracts.

10 (a) For the basis of negotiations, the state agency, the state-  
11 supported institution of higher education, or the political subdivisions  
12 subdivision and the selected firm or professional person shall jointly  
13 prepare a detailed, written description of the scope of the proposed  
14 services.

15 (b)(1)(A) If the state agency, the state-supported institution of  
16 higher education, or the political subdivision is unable to negotiate a  
17 satisfactory contract with the firm or professional person selected,  
18 negotiations with that firm shall be terminated.

19 (B)(i) The state agency, the state-supported institution  
20 of higher education, or the political subdivision shall then undertake  
21 negotiations with another of the qualified firms selected.

22 (ii) If the state agency, the state-supported  
23 institution of higher education, or the political subdivision is selecting  
24 from a qualified vendor list, the state agency or the political subdivision  
25 shall undertake negotiations with the professional person that submitted the  
26 next lowest bid.

27 (2)(A) If there is a failing of accord with the second firm or  
28 professional person, negotiations with the firm shall be terminated.

29 (B)(i) The state agency, the state-supported institution  
30 of higher education, or the political subdivision shall undertake  
31 negotiations with the third qualified firm.

32 (ii) If the state agency, the state-supported  
33 institution of higher education, or the political subdivision is selecting  
34 from a qualified vendor list, the state agency or the political subdivision  
35 shall undertake negotiations with the professional person that submitted the  
36 next lowest bid.

1 (c) If the state *agency, the state-supported institution of higher*  
2 *education*, or the political subdivision is unable to negotiate a contract  
3 with any of the selected firms or professional persons on the qualified  
4 vendor list, the state *agency, the state-supported institution of higher*  
5 *education*, or the political subdivision shall reevaluate the necessary  
6 professional services, including the scope and reasonable fee requirements,  
7 ~~again compile a list of qualified firms and proceed in accordance with the~~  
8 ~~provisions of this subchapter and issue a new request for qualifications~~  
9 under this subchapter.

10 (d) When unable to negotiate a contract for construction management, a  
11 public school district also shall perform a reevaluation of services in  
12 accordance with subsection (c) of this section.  
13

14 SECTION 14. Arkansas Code § 19-11-1005 is amended to read as follows:

15 19-11-1005. General guidelines and ~~regulations~~ rules.

16 The State Procurement Director, after soliciting suggestions from state  
17 agencies and after seeking and receiving the advice of the Attorney General  
18 and ~~review~~ approval by the Legislative Council, or by the Joint Budget  
19 Committee, if the General Assembly is in session, shall publish general  
20 guidelines for the procurement of professional and consultant services  
21 contracts and general ~~regulations~~ rules governing the use of each type of  
22 contract.  
23

24 SECTION 15. Arkansas Code § 19-11-1013(b)(1), concerning vendor  
25 performance reporting in relation to professional and consultant services  
26 contracts, is amended to read as follows:

27 (1) Completed and submitted:

28 (A) At least one (1) time every ~~three (3) months~~ quarter  
29 *for the entire term of the contract; and*

30 (B) *At the end of the contract;*

31  
32 SECTION 16. DO NOT CODIFY. The State Procurement Director shall  
33 promulgate rules and revise rules to comply with, implement, and administer  
34 this act.

35  
36 /s/Hickey