



January 21, 2014

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## HOUSE BILL No. 1361

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DIGEST OF HB 1361 (Updated January 21, 2014 10:47 am - DI 96)

**Citations Affected:** IC 5-16.

**Synopsis:** Public works projects. Amends the public works statute applicable to state universities and certain other governmental entities so that contracts for small projects can be performed under a quotation procedure rather than a bid procedure. Increases various cost caps under which such small projects may be performed to be consistent with the caps in place for public works projects for state agencies and political subdivisions. Changes from \$25,000 to \$100,000 the cost of a public works project for which plans and other documents must be filed with the division of fire and building safety.

**Effective:** July 1, 2014.

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## Morrison

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January 15, 2014, read first time and referred to Committee on Employment, Labor and Pensions.  
January 21, 2014, reported — Do Pass.

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HB 1361—LS 7125/DI 75





January 21, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1361

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-16-1-1.2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.2. (a) When a public  
3 building or other public work or improvement of any character is to be  
4 constructed, erected, altered, or repaired at the expense of the state or  
5 a commission created by law (excepting the Indiana department of  
6 transportation), and when the estimated ~~costs~~ **cost** of the work or  
7 improvement is greater than ~~twenty-five~~ **one hundred fifty** thousand  
8 dollars ~~(\$25,000)~~ **(\$150,000)**, the board, commission, trustee, officer,  
9 or agent acting on behalf of the state or commission created by law  
10 (excepting the Indiana department of transportation), shall adopt plans  
11 and specifications and shall award a contract for the public work or  
12 improvement to the lowest and best bidder who submits a bid for the  
13 performance of the work.  
14 (b) Notwithstanding subsection (a), whenever the cost of any public  
15 work is estimated to be less than ~~twenty-five~~ **one hundred fifty**  
16 thousand dollars ~~(\$25,000)~~ **(\$150,000)**, the officer or agent acting on

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1 behalf of the state or commission having authority to employ workmen  
 2 and own, rent, or lease equipment may purchase materials in the  
 3 manner provided by law and perform the work by means of its own  
 4 workmen and owned or leased equipment without awarding a  
 5 construction contract for the work.

6 **(c) The workforce of the agency or commission may perform a**  
 7 **public work described in subsection (b) only if:**

8 **(1) the workforce, through demonstrated skills, training, or**  
 9 **expertise, is capable of performing the public work; and**

10 **(2) for a public work project under subsection (b) whose cost**  
 11 **is estimated to be more than one hundred thousand dollars**  
 12 **(\$100,000), the agency or commission:**

13 **(A) publishes a notice under IC 5-3-1 that:**

14 **(i) describes the public work that the agency or**  
 15 **commission intends to perform with its own workforce;**

16 **and**

17 **(ii) sets forth the projected cost of each component of the**  
 18 **public work as described in subsection (b); and**

19 **(B) determines at a public meeting that it is in the public**  
 20 **interest to perform the public work with the agency's or**  
 21 **commission's own workforce.**

22 **A public work project performed by an agency's or commission's**  
 23 **own workforce must be inspected and accepted as complete in the**  
 24 **same manner as a public work project performed under a contract**  
 25 **awarded after receiving bids.**

26 **(d) If a public work project involves a structure, an**  
 27 **improvement, or a facility under the control of an agency or**  
 28 **commission, the agency or commission may not artificially divide**  
 29 **the project to bring any part of the project under this section.**

30 SECTION 2. IC 5-16-1-1.3 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.3. Construction or  
 32 alteration of any public building, the estimated cost of which is more  
 33 than ~~twenty-five~~ **one hundred fifty** thousand dollars (~~\$25,000~~;  
 34 **\$150,000**), may not be undertaken by any officer or agent hereinbefore  
 35 mentioned or referred to except pursuant to and in compliance with  
 36 plans and specifications therefor approved by a duly licensed architect  
 37 or engineer.

38 SECTION 3. IC 5-16-1-1.4 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.4. For the purpose of  
 40 securing bids or for the purpose of causing the work to be done in the  
 41 desired manner, the state or commission created by law (excepting the  
 42 Indiana department of transportation) shall prepare, and place on file



1 in its office, plans and specifications of the building or improvements  
 2 sought to be constructed, erected, altered, or repaired whenever the  
 3 estimated cost of the work is greater than ~~twenty-five~~ **one hundred**  
 4 **fifty** thousand dollars (~~\$25,000~~). **(\$150,000)**.

5 SECTION 4. IC 5-16-1-1.6 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.6. In the case of fire,  
 7 flood, windstorm, casualty or other extraordinary emergency, including  
 8 mechanical failure of any part of a building or structure, and where the  
 9 health, safety or welfare of the public or the necessary governmental  
 10 operations are endangered by such loss or damage, the responsible  
 11 board or commission may, upon a declaration of emergency recorded in  
 12 its minutes, proceed to reconstruct or repair the building or structure  
 13 without advertising for bids. However, in such an emergency, ~~bids shall~~  
 14 **quotes may** be invited from at least three (3) or more persons, firms,  
 15 limited liability companies, or corporations known to deal in the work  
 16 required to be done, and the minutes of the board or commission shall  
 17 show the names of those persons, firms, limited liability companies, or  
 18 corporations invited to ~~bid~~: **submit quotes**.

19 SECTION 5. IC 5-16-1-1.7, AS AMENDED BY P.L.172-2011,  
 20 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2014]: Sec. 1.7. On agricultural or forestry land owned or  
 22 occupied by Purdue University and used by it for educational or  
 23 research purposes, the trustees of the university may, upon a  
 24 declaration of necessity recorded in its minutes, award contracts  
 25 without advertising for bids or otherwise satisfying the requirements of  
 26 this chapter, if the cost of work is estimated to be less than two hundred  
 27 thousand dollars (\$200,000). However, ~~bids~~ **quotes** shall be invited  
 28 from at least three (3) or more persons, firms, limited liability  
 29 companies, or corporations known to deal in the work required to be  
 30 done. The minutes of the board shall show the names of those invited  
 31 to ~~bid~~: **submit quotes**.

32 SECTION 6. IC 5-16-1-1.9, AS AMENDED BY P.L.172-2011,  
 33 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2014]: Sec. 1.9. Notwithstanding this article, a state  
 35 educational institution may award a contract for any construction or  
 36 repair work to any building, structure, or improvement of the institution  
 37 without advertising for bids and meeting other contract awarding  
 38 requirements of this article whenever the estimated cost of the project  
 39 is less than one hundred fifty thousand dollars (\$150,000). However,  
 40 in awarding any contract under this section the state educational  
 41 institution must do the following:

- 42 (1) Invite ~~bids~~ **quotes** from at least three (3) persons, firms,



1 limited liability companies, or corporations known to deal in the  
2 work required to be done.

3 (2) Give notice of the project if the estimated cost of the project  
4 is more than ~~twenty-five~~ **one hundred fifty** thousand dollars  
5 (~~\$25,000~~). (**\$150,000**). If required, notice must include a  
6 description of the work to be done and be given in at least one (1)  
7 newspaper of general circulation printed and published in the  
8 county in which the work is to be done.

9 (3) Award the contract to the **person who submits the lowest and**  
10 **best bidder. quote.**

11 SECTION 7. IC 5-16-1-3 IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2014]: Sec. 3. (~~a~~) Upon the filing of the plans,  
13 specifications, and drawings, as provided in section 1.4 of this chapter,  
14 the officer or agent shall twice publish a notice indicating that  
15 drawings, plans, and specifications are on file at the office and calling  
16 for sealed proposals for the work by a day fixed in the publication. The  
17 time lapse between the date of publication and the date of receiving  
18 bids is governed by the size of the contemplated project and is in the  
19 discretion of the board, commission, trustee, officer, or agent  
20 publishing the notice. In no event shall the lapsed time be more than six  
21 (6) weeks.

22 (~~b~~) **Notwithstanding subsection (a), if a public building or other**  
23 **public work or improvement under this chapter is estimated to cost less**  
24 **than twenty-five thousand dollars (\$25,000) and a contract is to be**  
25 **awarded for the work, the awarding officer, commission, or agent may:**

26 (~~1~~) **publish notice in the manner provided in subsection (a); or**  
27 (~~2~~) **invite bids from not less than three (3) persons, firms, limited**  
28 **liability companies, or corporations, known to deal in the work**  
29 **proposed to be done, by mailing a notice for the work not less**  
30 **than three (3) days before the time fixed for receiving bids**  
31 **indicating that plans and specifications are on file in a certain**  
32 **office.**

33 SECTION 8. IC 5-16-1-8 IS AMENDED TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2014]: Sec. 8. (a) A person who submits a bid  
35 **or quote** for a public works contract under this chapter that involves  
36 the installation of plumbing must submit evidence that the person is a  
37 licensed plumbing contractor under IC 25-28.5-1.

38 (b) If a public works contract under this chapter is awarded to a  
39 person who does not meet the requirements of subsection (a), the  
40 contract is void.

41 SECTION 9. IC 5-16-2-1.4 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.4. The political body



1 or officer authorized to let contracts for public works or improvement  
2 may, in the reasonable exercise of discretion, reject all bids **or quotes**  
3 submitted.

4 SECTION 10. IC 5-16-3-1, AS AMENDED BY P.L.1-2006,  
5 SECTION 103, IS AMENDED TO READ AS FOLLOWS  
6 [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) A public official, board,  
7 commission, or other public agency having charge of the construction  
8 of a public building, an addition to the building or an alteration of the  
9 building shall file in the division of fire and building safety, within  
10 sixty (60) days after the completion of the building project, a complete  
11 set of blueprints and a complete set of bound specifications for the  
12 public building, addition, or alteration.

13 (b) Subsection (a) does not apply to buildings, additions, or  
14 alterations that are constructed at a cost of less than ~~twenty-five one~~  
15 **hundred** thousand dollars (~~\$25,000~~): **(\$100,000)**.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1361, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1361 as introduced.)

Committee Vote: Yeas 7, Nays 4

Representative Gutwein

