

SENATE BILL No. 441

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-13.6-5-4; IC 36-1-12-3.

Synopsis: Public works projects cost thresholds. Increases the cost of projects that the department of natural resources may perform without awarding a public works contract from \$75,000 to \$150,000. Increases the cost of projects that some political subdivisions may perform without awarding a public works contract from \$100,000 to \$500,000.

Effective: July 1, 2011.

Hershman

January 12, 2011, read first time and referred to Committee on Local Government.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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SENATE BILL No. 441



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 4-13.6-5-4, AS AMENDED BY P.L.34-2005,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 4. (a) If the estimated cost of a public works
4 project is less than seventy-five thousand dollars (\$75,000), the
5 division may perform the public work without awarding a public works
6 contract under section 2 of this chapter. In performing the public work,
7 the division may authorize use of equipment owned, rented, or leased
8 by the state, may authorize purchase of materials in the manner
9 provided by law, and may authorize performance of the public work
10 using employees of the state.

11 (b) If a public works project involves a structure, improvement, or
12 facility under the control of the department of natural resources, the
13 department of natural resources may purchase materials for the project
14 in the manner provided by law and without a contract being awarded,
15 and may use its employees to perform the labor and supervision, if:

16 (1) the department of natural resources uses equipment owned or
17 leased by it; and



1 (2) the division of engineering of the department of natural
2 resources estimates the cost of the public works project will be
3 less than ~~seventy-five~~ **one hundred fifty** thousand dollars
4 ~~(\$75,000)~~: **(\$150,000)**.

5 (c) If a public works project involves a structure, improvement, or
6 facility under the control of the department of correction, the
7 department of correction may purchase materials for the project in the
8 manner provided by law and use inmates in the custody of the
9 department of correction to perform the labor and use its own
10 employees for supervisory purposes, without awarding a contract, if:

11 (1) the department of correction uses equipment owned or leased
12 by it; and

13 (2) the estimated cost of the public works project using employee
14 or inmate labor is less than the greater of:

15 (A) fifty thousand dollars (\$50,000); or

16 (B) the project cost limitation set by IC 4-13-2-11.1.

17 All public works projects covered by this subsection must comply with
18 the remaining provisions of this article, and all plans and specifications
19 for the public works project must be approved by a licensed architect
20 or engineer.

21 SECTION 2. IC 36-1-12-3 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) The board may
23 purchase or lease materials in the manner provided in IC 5-22 and
24 perform any public work, by means of its own workforce, without
25 awarding a contract whenever the cost of that public work project is
26 estimated to be less than ~~one five~~ **five** hundred thousand dollars ~~(\$100,000)~~:
27 **(\$500,000)**. Before a board may perform any work under this section
28 by means of its own workforce, the political subdivision or agency
29 must have a group of employees on its staff who are capable of
30 performing the construction, maintenance, and repair applicable to that
31 work. For purposes of this subsection, the cost of a public work project
32 includes the actual cost of materials, labor, equipment, rental, a
33 reasonable rate for use of trucks and heavy equipment owned, and all
34 other expenses incidental to the performance of the project.

35 (b) When the project involves the rental of equipment with an
36 operator furnished by the owner, or the installation or application of
37 materials by the supplier of the materials, the project is considered to
38 be a public work project and subject to this chapter. However, an
39 annual contract may be awarded for equipment rental and materials to
40 be installed or applied during a calendar or fiscal year if the proposed
41 project or projects are described in the bid specifications.

42 (c) A board of aviation commissioners or an airport authority board

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1 may purchase or lease materials in the manner provided in IC 5-22 and
 2 perform any public work by means of its own workforce and owned or
 3 leased equipment, in the construction, maintenance, and repair of any
 4 airport roadway, runway, taxiway, or aircraft parking apron whenever
 5 the cost of that public work project is estimated to be less than fifty
 6 thousand dollars (\$50,000).

7 (d) Municipal and county hospitals must comply with this chapter
 8 for all contracts for public work that are financed in whole or in part
 9 with cumulative building fund revenue, as provided in section 1(c) of
 10 this chapter. However, if the cost of the public work is estimated to be
 11 less than fifty thousand dollars (\$50,000), as reflected in the board
 12 minutes, the hospital board may have the public work done without
 13 receiving bids, by purchasing the materials and performing the work by
 14 means of its own workforce and owned or leased equipment.

15 (e) If a public works project involves a structure, an improvement,
 16 or a facility under the control of a department (as defined in
 17 IC 4-3-19-2(2)), the department may not artificially divide the project
 18 to bring any part of the project under this section.

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