

# HOUSE BILL No. 1191

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-1-12-3.

**Synopsis:** Costs of local public works projects. Provides that for purposes of determining whether a political subdivision may perform a public works project with its own workforce, the cost of design, construction inspection, and other engineering work performed by the political subdivision's own employees is not included in the cost of the public works project.

**Effective:** July 1, 2012.

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## Culver, Wesco

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January 9, 2012, read first time and referred to Committee on Local Government.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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# HOUSE BILL No. 1191



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 36-1-12-3, AS AMENDED BY P.L.172-2011,  
2 SECTION 138, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2012]: Sec. 3. **(a) For purposes of this section,**  
4 **the cost of a public work project includes:**  
5 **(1) the actual cost of materials, labor, equipment, and rental;**  
6 **(2) a reasonable rate for use of trucks and heavy equipment**  
7 **owned; and**  
8 **(3) all other expenses incidental to the performance of the**  
9 **project, but not the costs of design, construction inspection, or**  
10 **other engineering work performed by a political subdivision's**  
11 **own employees.**  
12 ~~(a)~~ **(b)** The board may purchase or lease materials in the manner  
13 provided in IC 5-22 and perform any public work, by means of its own  
14 workforce, without awarding a contract whenever the cost of that  
15 public work project is estimated to be less than one hundred fifty  
16 thousand dollars (\$150,000). Before a board may perform any work  
17 under this section by means of its own workforce, the political



1 subdivision or agency must have a group of employees on its staff who  
 2 are capable of performing the construction, maintenance, and repair  
 3 applicable to that work. For purposes of this subsection, the cost of a  
 4 public work project includes:

- 5 (1) the actual cost of materials, labor, equipment, and rental;
- 6 (2) a reasonable rate for use of trucks and heavy equipment  
 7 owned; and
- 8 (3) all other expenses incidental to the performance of the project.

9 ~~(b)~~ (c) This subsection applies only to a municipality or a county.  
 10 The workforce of a municipality or county may perform a public work  
 11 described in subsection ~~(a)~~ (b) only if:

- 12 (1) the workforce, through demonstrated skills, training, or  
 13 expertise, is capable of performing the public work; and
- 14 (2) for a public work project under subsection ~~(a)~~ (b) whose cost  
 15 is estimated to be more than one hundred thousand dollars  
 16 (\$100,000), the board:

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

- 18 (i) describes the public work that the board intends to  
 19 perform with its own workforce; and
- 20 (ii) sets forth the projected cost of each component of the  
 21 public work as described in subsection ~~(a)~~; **(a)(1) through**  
 22 **(a)(3)**; and

23 (B) determines at a public meeting that it is in the public  
 24 interest to perform the public work with the board's own  
 25 workforce.

26 A public work project performed by a board's own workforce must be  
 27 inspected and accepted as complete in the same manner as a public  
 28 work project performed under a contract awarded after receiving bids.

29 ~~(e)~~ (d) When the project involves the rental of equipment with an  
 30 operator furnished by the owner, or the installation or application of  
 31 materials by the supplier of the materials, the project is considered to  
 32 be a public work project and subject to this chapter. However, an  
 33 annual contract may be awarded for equipment rental and materials to  
 34 be installed or applied during a calendar or fiscal year if the proposed  
 35 project or projects are described in the bid specifications.

36 ~~(f)~~ (e) A board of aviation commissioners or an airport authority  
 37 board may purchase or lease materials in the manner provided in  
 38 IC 5-22 and perform any public work by means of its own workforce  
 39 and owned or leased equipment, in the construction, maintenance, and  
 40 repair of any airport roadway, runway, taxiway, or aircraft parking  
 41 apron whenever the cost of that public work project is estimated to be  
 42 less than one hundred thousand dollars (\$100,000).



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1           (ⓔ) (f) Municipal and county hospitals must comply with this  
2 chapter for all contracts for public work that are financed in whole or  
3 in part with cumulative building fund revenue, as provided in section  
4 1(c) of this chapter. However, if the cost of the public work is  
5 estimated to be less than fifty thousand dollars (\$50,000), as reflected  
6 in the board minutes, the hospital board may have the public work done  
7 without receiving bids, by purchasing the materials and performing the  
8 work by means of its own workforce and owned or leased equipment.  
9           (ⓕ) (g) If a public works project involves a structure, an  
10 improvement, or a facility under the control of a department (as defined  
11 in IC 4-3-19-2(2)), the department may not artificially divide the  
12 project to bring any part of the project under this section.

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