



Representative Lindsey Holmes

Sponsor Statement

HB 239 – Professional Services in State Funded Contracts

The State of Alaska currently requires that designers of state public works projects be selected using qualifications-based criteria – choosing the most qualified firms, based on experience, before negotiating price. Similarly, the federal government requires qualifications-based selection for professional services on projects that accept federal funds.

House Bill 239 extends state qualifications-based selection contract requirements for architectural, engineering and land surveying services to projects that receive state funding.

The qualifications-based methodology differs from the lowest-bid method, which is standard during the construction phase of public projects. A higher standard of selecting the most qualified people for the design of projects lowers the chances of multiple redesigns and project cost overruns.

Under HB 239, if the state participates in funding a project, the entity receiving state funds will select the highest ranked professionals to design the project. After that selection, the entity negotiates for cost of services. If negotiations fail, the entity goes to the second highest ranked firm to negotiate, and so on down the line in order of ranking until an agreement is reached.

This legislation lowers the chance that entities receiving state funds for projects will come back to the state asking for more funds to cover design errors.