

SUBSTITUTE FOR
HOUSE BILL NO. 5654

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 237b (MCL 18.1237b), as added by 2002 PA 504.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 237b. **(1) ~~The~~ Except as otherwise provided in subsection**
2 **(3), for proposed projects of the department and state agencies,**
3 **the selection of architects for architectural services,**
4 **professional engineers for engineering services,** professional
5 **surveyors for land surveying services,** and qualified firms shall
6 **must** be made in accordance with competitive, qualifications-based
7 selection processes and procedures for the type of professional
8 service, ~~required~~ **as determined** by the department.
9 **(2) Subsections (3) and (5) do not apply to state agencies for**

1 selections described under subsection (1) if those selections are
2 in compliance with 23 USC 112.

3 (3) Except as otherwise provided in subsections (2) and (4),
4 from January 1, 2025 to December 31, 2032, the following procedures
5 must be used for the selection of architects for architectural
6 services, professional engineers for engineering services,
7 professional surveyors for land surveying services, and qualified
8 firms for proposed projects of the department and state agencies
9 where the estimated cost for the services is \$250,000.00 or more:

10 (a) The department or state agency must publish a notice
11 requesting a statement of interest in the proposed project by any
12 qualified firm, along with a statement of qualifications and
13 performance data from that qualified firm. The published notice
14 must state the general scope and nature of the proposed project for
15 which services are required and must include contact information
16 for a representative of the department or state agency who can
17 provide further details of the proposed project.

18 (b) In procuring architectural services, engineering services,
19 or land surveying services for a proposed project, the department
20 or state agency shall evaluate the statements of interest,
21 statements of qualifications, and performance data submitted by
22 qualified firms. In evaluating a qualified firm for the proposed
23 project, the department or state agency shall consider all of the
24 following:

25 (i) Qualifications of the qualified firm.

26 (ii) Ability of the professional personnel of the qualified
27 firm.

28 (iii) Past record and experience of the qualified firm.

29 (iv) Any other qualifications-based factors that the department

1 or state agency determines are applicable.

2 (c) The department or state agency may conduct discussions
3 with and require presentations by any qualified firm being
4 considered to provide the required architectural services,
5 engineering services, or land surveying services for the proposed
6 project.

7 (d) Based on the evaluations, discussions, and presentations
8 described in this subsection, the department or state agency shall
9 select those qualified firms considered the most highly qualified
10 to provide the required architectural services, engineering
11 services, or land surveying services for the proposed project. The
12 department or state agency shall rank those qualified firms
13 selected in order based on the qualifications set forth in this
14 section.

15 (e) The department or state agency shall enter into contract
16 negotiations with the highest-ranked qualified firm as determined
17 under subdivision (d) at compensation that the department or state
18 agency determines to be fair and reasonable. The department or
19 state agency shall take into account the estimated value, scope,
20 complexity, and professional nature of the services to be rendered.

21 (f) If the department or state agency is unable to negotiate a
22 satisfactory contract with the highest-ranked qualified firm,
23 negotiations with that qualified firm must be formally terminated.
24 The department or state agency shall begin negotiations with the
25 next most highly ranked qualified firm and continue until an
26 agreement is reached or the process is terminated.

27 (g) If the department or state agency is unable to negotiate a
28 satisfactory contract with any of the selected qualified firms, the
29 department or state agency must reevaluate the architectural

1 services, engineering services, or land surveying services
2 requested, including the estimated value, scope, complexity, and
3 fee requirements.

4 (4) The department or state agency may waive the requirements
5 under subsection (3) if the department or state agency determines
6 that either of the following criteria applies:

7 (a) An emergency situation exists and a qualified firm must be
8 selected in an expeditious manner.

9 (b) The proposed project is for energy conservation
10 improvements to state facilities as described under section 253.

11 (5) Except as otherwise provided under subsection (2), each
12 January 1 between 2026 and 2033, the department shall submit a
13 report to the legislature that includes all of the following
14 information for the immediately preceding year:

15 (a) A summary of whether qualified firms that were selected
16 for contracts under subsection (3) offered new ideas, technology,
17 materials, construction techniques, or other innovations.

18 (b) A summary of whether projects contracted for under
19 subsection (3) were completed on schedule or otherwise met
20 scheduled deadlines.

21 (c) A summary of whether projects contracted for under
22 subsection (3) stayed on budget.

23 (d) An analysis of whether there was greater collaboration
24 between the department or state agency, as applicable, and the
25 qualified firm to reduce misunderstandings and project risk
26 compared to projects contracted for under subsection (1).

27 (e) An indication of whether design documents of projects
28 contracted for under subsection (3) are considered to be at a high
29 level.

1 (6) As used in this section:

2 (a) "Architectural services" means the practice of
3 architecture, as that term is defined in section 2001 of the
4 occupational code, 1980 PA 299, MCL 339.2001.

5 (b) "Engineering services" means the practice of professional
6 engineering, as that term is defined in section 2001 of the
7 occupational code, 1980 PA 299, MCL 339.2001.

8 (c) "Land surveying services" means the practice of
9 professional surveying, as that term is defined in section 2001 of
10 the occupational code, 1980 PA 299, MCL 339.2001.

11 (d) "Qualified firm" means a sole proprietorship, partnership,
12 corporation, or limited liability company through which a person
13 licensed as an architect, professional engineer, or professional
14 surveyor under article 20 of the occupational code, 1980 PA 299,
15 MCL 339.2001 to 339.2014, offers or provides architectural
16 services, engineering services, or land surveying services to the
17 public.