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TESTIMONY BEFORE THE HOUSE COMMITTEE ON COMMERCE, LABOR, AND ECONOMIC DEVELOPMENT

REGARDING HOUSE BILL 2234 RELATING TO THE STATE CONSTRUCTION OR BUILDING IMPROVEMENT PROJECTS February 7, 2023

Mr. Chairman and Committee Members:

I am Greg Schieber, and I am the Deputy Secretary for the Kansas Department of Transportation (KDOT). I am here today to provide testimony in support of House Bill 2234. I would like to thank you for the opportunity to provide comments.

KDOT supports this bill due to the added flexibility and time saving measures it provides for our building projects. The State Building Advisory Commission (SBAC) selection method adds time and complexity to the selection of architectural and engineering design teams. In order to avoid winter construction, schedules for these projects are tight. Allowing the use of on-call design teams to do multiple, repetitive designs saves time, effort and reduces costs. Experience has also shown this approach can reduce time spent on plan revision.

Using Office of Facilities and Property Management (OFPM) on-call architects, design fees were approximately 5% of the bid price on a group of four buildings awarded in FY 22. Typical design fees for this type of building are between 7 and 8 percent, and sometimes as high as 10 percent. KDOT would expect to see a 2.5% reduction of design costs on building projects with a construction cost less than \$1,500,000.

Much of the language in the statute and the original intent of the statute remain unchanged. This amendment is to account for the increased costs of building construction, due to factors such as inflation. The amendment further simplifies the process by considering only the cost of the building construction. It is important to note that this cost threshold increase has precedent. Similar amendments were made in 1990, 2006 and 2015 to accommodate for rising costs.

Thank you for the opportunity to provide testimony on House Bill 2234. I am happy to answer any questions at the appropriate time.