

HOUSE BILL No. 2690

AN ACT concerning the state board of regents; relating to scientific research and development facilities for educational institutions under the control and supervision of the state board of regents.

Be it enacted by the Legislature of the State of Kansas:

Section 1. Sections 1 through 12 and amendments thereto shall be known and may be cited as the university research and development enhancement act.

Sec. 2. (a) The legislature of the state of Kansas hereby finds and declares that:

(1) The performance of scientific research is essential to promote the economic development of the state; and

(2) the needs of the citizens of the state of Kansas and of the state educational institutions under the control and supervision of the board of regents will be best served if the board of regents is granted specific authority to assist the state educational institutions in the provision of scientific research.

(b) The exercise of the powers authorized by this act are deemed an essential governmental function in matters of public necessity for the entire state in the provision of scientific research.

Sec. 3. As used in this act, the following words and phrases have the following meanings unless a different meaning clearly appears from the content:

(a) "Board of regents" means the state board of regents of the state of Kansas established by K.S.A. 2001 Supp. 74-3202a and amendments thereto.

(b) "Bonds" means any bonds, notes, lease certificates of participation or other evidences of indebtedness, whether or not the interest on which is subject to federal income taxation, issued by the Kansas development finance authority on behalf of the board of regents pursuant to this act to finance a scientific research and development facility.

(c) "Scientific research and development facility" means any facility, including real and personal property, for which the primary purpose is to promote scientific research and development and which is under the control of a state educational institution.

(d) "State" means the state of Kansas.

(e) "State educational institution" means any Fort Hays state university, Emporia state university, Pittsburg state university, Kansas state university of agriculture and applied science, university of Kansas, university of Kansas medical center and Wichita state university.

(f) "This act" means the university research and development enhancement act.

Sec. 4. The board of regents shall have all the powers necessary to carry out the purposes and provisions of this act, including, without limitation, the following powers:

(a) To make and execute contracts, guarantees or any other instruments and agreements necessary or convenient for the exercise of its powers and functions under authority of this act including, without limitation, the power to make and execute contracts with respect to the operation and management of scientific research and development facilities;

(b) to borrow money from the Kansas development finance authority to finance the costs of acquiring, constructing and equipping scientific research and development facilities and to pledge any or all revenues derived from any scientific research and development facilities to the repayment of such borrowed money, including moneys credited to the sponsored research overhead funds and other special revenue funds of the state educational institutions having jurisdiction over such scientific research and development facilities;

(c) to purchase, lease, trade, exchange or otherwise acquire, maintain, hold, improve, mortgage, sell, lease, and dispose of scientific research and development facilities and any interest therein and to maintain, hold, improve, mortgage, lease and otherwise transfer such scientific research and development facilities;

(d) to contract for and to accept any gifts, grants and loans of funds, property, or any other aid in any form from the federal government, the state, any state agency, or any other source, or any combination thereof, and to comply with the provisions of the terms and conditions thereof;

(e) to acquire space, equipment, services, supplies and insurance necessary to carry out the purposes of this act, except that scientific research and development facilities shall be included under insurance coverage acquired for state buildings and facilities;

(f) do any and all things necessary or convenient to exercise the powers authorized by this act; and

(g) to participate in joint ventures with individuals, corporations, governmental bodies or agencies, partnerships, associations, insurers or other entities to facilitate any activities or programs consistent with the public purpose and intent of this act.

Sec. 5. The board of regents is hereby authorized and shall form one subsidiary corporation under K.S.A. 17-6001 *et seq.*, and amendments thereto, in accordance with the procedures therein contained, to perform or to assist the board of regents in the performance of powers, duties and functions under this act. The subsidiary corporation shall be subject to the same restrictions and limitations as to the powers and purposes under this act to which the board of regents is subject. The board of regents may delegate any of its powers, obligations and duties under this act to the subsidiary corporation by inclusion of such powers, obligations and duties in the articles of incorporation of the subsidiary corporation. The subsidiary corporation so formed shall constitute a legal entity separate and distinct from the board of regents and the state. The board of regents shall not be liable for the debts or obligations or for any actions or inactions of its subsidiary corporation unless the board of regents expressly agrees otherwise in writing. The board of directors of the subsidiary corporation shall be composed of seven voting members and one nonvoting member. The seven voting members shall be appointed as follows: (1) One voting member shall be appointed by the speaker of the house of representatives, (2) one voting member shall be appointed by the minority leader of the house of representatives, (3) one voting member shall be appointed by the president of the senate, (4) one voting member shall be appointed by the minority leader of the senate, and (5) three voting members shall be appointed by the board of regents. Each voting member of the board of directors shall serve at the pleasure of the officer or board making the appointment. The voting members appointed by the speaker of the house of representatives, the minority leader of the house of representatives, the president of the senate and minority leader of the senate may be, but are not required to be, members of the legislature. Of the three voting members appointed by the board of regents, not more than two may be members of the board of regents. Any vacancy occurring in the board of directors shall be filled in the same manner as the original appointment. The secretary of administration, or the secretary's designee who shall serve at the pleasure of the secretary of administration, shall serve as the nonvoting member of the board of directors. All members of the board of directors shall serve without compensation. Each member of the board of directors shall be appointed on or before 60 days following the effective date of this act. After all members have been appointed, the executive director of the state board of regents shall call the first organizational meeting of the board of directors. The executive director of the state board of regents shall serve as the temporary, nonvoting chairperson at the first organizational meeting until a chairperson is elected as provided by this section. The members of the board of directors shall organize by electing from its membership a chairperson and a vice-chairperson. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. Any vacancy occurring in the chairperson or vice-chairperson positions shall be filled in the same manner as the original election. The state, any municipality or any state commission, public authority, agency, officer, department, board or division authorized and empowered to enter into agreements with, to grant, convey, lease or otherwise transfer any property to, or to otherwise transact business with the board of regents, shall have the same authorization and power to engage in these activities with the subsidiary corporation of the board of regents. The subsidiary corporation formed pursuant to this section shall be dissolved by the board of regents after completion and official acceptance by the board of regents of all of the capital improvement projects initiated for research and development facilities for state educational institutions under this act or at such earlier time as may be pre-

scribed or determined in accordance with the provisions of the articles of incorporation of the subsidiary corporation.

Sec. 6. (a) The board of regents is authorized to acquire, construct and equip scientific research and development facilities on state-owned property of the board of regents or any state educational institution for purposes of scientific research from any moneys of the board of regents available therefor, except that no such scientific research and development facilities shall be acquired, constructed or equipped and no moneys shall be expended therefor unless the board of regents has first advised and consulted with the joint committee on state building construction regarding the proposed scientific research and development facilities and on each capital improvement project proposed therefor. The scientific research and development facilities shall become the property of the state upon completion and acceptance by the board of regents.

(b) The board of regents is authorized to initiate and complete capital improvement projects to repair, remodel or renovate state buildings and facilities of the state educational institutions for use as scientific research and development facilities from any moneys of the board of regents, except that no such capital improvement project for such repair, remodeling or renovation shall be initiated unless the board of regents has first advised and consulted with the joint committee on state building construction regarding the proposed scientific research and development facilities and each capital improvement project proposed therefor.

Sec. 7. (a) (1) The Kansas development finance authority is hereby authorized to issue from time to time bonds on behalf of the board of regents in such principal amounts as the Kansas development finance authority and the board of regents determine to be necessary to provide sufficient funds to finance scientific research and development facilities, including, but not limited to, the payment of interest on such bonds, the establishment of reserves to secure such bonds, costs of issuance, refunding any outstanding bonds, and all other expenditures of the board of regents incident to and necessary or convenient to carry out the powers and functions authorized by this act. The Kansas development finance authority shall not issue any bond or bonds on behalf of the corporation formed by the board of regents under this act. The Kansas development finance authority shall not issue bonds under this act for more than \$120,000,000, in the aggregate, plus all amounts required for costs of any bond issuance, costs of interest on any bond issued or obtained for such scientific research and development facilities and any required reserves for payment of principal and interest on any such bond.

(2) Except as may otherwise be expressly provided by the board of regents, every obligation of the board of regents with respect to such bonds shall be an obligation of the board of regents payable out of any revenues or moneys of the board of regents derived from annual appropriations of the legislature. Subject only to any agreements with holders of particular bonds pledging any particular revenues, the board of regents shall use moneys derived from scientific research and development facilities to provide funds sufficient to pay principal and interest on any bonds issued pursuant to this act commencing after the date a project is completed and has been accepted by the board of regents. Subject to the provisions of appropriation acts, payment of principal and interest on the bonds shall be made by the state board of regents from annual appropriations by the legislature from such revenues as are furnished by the board of regents, or from any other available funds, in amounts sufficient to pay principal and interest on the bonds until the bonds are finally paid.

(3) Upon acceptance by the board of regents of each project initiated and completed under this act and upon a determination by the board of regents that the period for repayment of debt for such project is to commence, the board of regents shall certify to the director of accounts and reports that principal and interest payments for such project are to commence and the dates and amounts of all principal and interest payments for such project. Pursuant to each such certification and commencing on or after July 1, 2004, the director of accounts and reports shall transfer, from the state general fund to the debt service fund or funds at a state educational institution as specified in the certification for such project, the amount certified on or before the respective payment date therefor. Transfers shall be made under this section pursuant to any such certifi-

cation on or after July 1, 2004. The aggregate of all such transfers from the state general fund during any fiscal year shall not exceed \$10,000,000 and the aggregate of all such transfers from the state general fund under this section shall not exceed \$50,000,000. The Kansas development finance authority and the board of regents shall enter into contracts with respect to the scientific research and development facilities financed under this act prescribing the obligation of the board of regents and the state educational institutions to provide for repayment of amounts of bond debt service in addition to those amounts provided for by transfers under this section from the state general fund.

(b) (1) The bonds shall be authorized by a resolution adopted by the board of directors of the Kansas development finance authority.

(2) Except as otherwise provided in this act, bonds issued by the Kansas development finance authority under authority of this act shall be subject to the provisions of K.S.A. 74-8901 *et seq.*, and amendments thereto.

(c) Any resolution authorizing the board of regents to incur any obligation with respect to bonds issued by the Kansas development finance authority may contain such provisions as deemed appropriate by the board of regents for the purpose of carrying out the purposes of this act and securing such bonds, which shall be a part of the contract with the holders thereof, including, but not limited to, provisions:

(1) Pledging all or any part of the revenues of the board of regents derived from scientific research and development facilities to secure the payment of the bonds or of any issue thereof, subject to such agreements with bondholders as may then exist;

(2) the setting aside of reserves or sinking funds and the regulation and disposition thereof;

(3) limitations on the issuance of additional bonds or other obligations, the terms upon which additional bonds or obligations may be issued and secured, and the refunding of outstanding or other bonds;

(4) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the board of regents to the Kansas development finance authority, the applicable bond trustee or the holders of the bonds, except that such rights and remedies shall not be inconsistent with the general laws of this state and the other provisions of this act; and

(5) any other matters, of like or different character, which in any way affect the security or protection of the holders of the notes or bonds.

(d) Any of the provisions relating to any bonds described in this section may be set forth in a trust indenture, loan agreement, lease agreement or other financing document authorized by a resolution of the board of regents or the board of directors of the Kansas development finance authority.

(e) The bonds of each issue may, in the discretion of the board of directors of the Kansas development finance authority, be made redeemable before maturity at such prices and under such terms and conditions as may be determined by the board of directors of the Kansas development finance authority. Bonds issued on behalf of the board of regents shall mature at such time, not exceeding 30 years from their date of issue, as may be determined by the board of regents and the board of directors of the Kansas development finance authority. The bonds may be issued as serial bonds payable in annual installments or as term bonds or as a combination thereof. The bonds shall bear interest at such rate either fixed or variable, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment and at such place, and be subject to such terms of redemption as provided in the resolution of trust indenture. The bonds may be sold by the Kansas development finance authority, at public or private sale, at such price as the board of directors of the Kansas development finance authority shall determine.

(f) In case any officer of the Kansas development finance authority whose signature or a facsimile of whose signature appears on any bonds or coupons attached thereto ceases to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(g) Any bonds issued by the Kansas development finance authority

pursuant to this section, and the income therefrom (including any profit from the sale thereof) shall at all times be free from taxation by the state or any agency, political subdivision or instrumentality of the state, including income, inheritance and property taxes.

(h) Any holder of bonds issued under the provisions of this act, or any coupons appertaining thereto and the trustee under any trust agreement or resolution authorizing the issuance of such bonds, except the rights under this act may be restricted by such trust agreement or resolution, may, either at law or in equity by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted under this act or under such agreement or resolution, or under any other contract executed by the board of regents pursuant to this act, and may enforce and compel the performance of all duties required by this act or by such trust agreement or resolution to be performed by the board of regents or by an officer thereof.

(i) the bonds shall be special, limited obligations of the Kansas development finance authority and the state shall not be liable for bonds issued by the Kansas development finance authority on behalf of the board of regents, and such bonds shall not constitute a debt of the state.

(j) Neither the board of regents, the board of the Kansas development finance authority nor any authorized employee of the board of regents or the Kansas development finance authority shall be personally liable for such bonds by reason of the issuance thereof.

(k) Nothing in this act shall be construed as a restriction or limitation upon any other powers which the board of regents might otherwise have under any other law of this state, and this act is cumulative to any such powers. This act does and shall be construed to provide a complete, additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds under the provisions of this act need not comply with the requirements of any other state law applicable to the issuance of bonds. No proceedings, notice or approval shall be required for the issuance of any bonds or any instrument as security therefor, except as is provided in this act.

(l) Any of the provisions relating to bonds described in this section may be included in any contracts between the board of regents and the Kansas development finance authority relating to obligations of the Kansas development finance authority issued on behalf of the board of regents.

Sec. 8. Purchases by the board of regents relating to scientific research and development facilities shall not be subject to sales tax under K.S.A. 79-3601 et seq., and amendments thereto, or use tax under K.S.A. 79-3701 et seq., and amendments thereto.

Sec. 9. This act shall be liberally construed. Except as otherwise expressly provided, nothing contained in this act is or shall be construed as a restriction or limitation upon any powers which the board of regents or the Kansas development finance authority might otherwise have under other law of this state, and the provisions of this act are cumulative to such powers. The provisions of this act do and shall be construed to provide a complete, additional and alternative method for the doing of the things authorized and shall be regarded as supplemental and additional to any other laws. Insofar as the provisions of this act are inconsistent with the provisions of any other law, general, specific or local, the provisions of this act shall be controlling.

Sec. 10. (a) As used in this section, unless the context expressly provides otherwise:

(1) “Ancillary technical services” include, but shall not be limited to, geology services and other soil or subsurface investigation and testing services, surveying, adjusting and balancing of air conditioning, ventilating, heating and other mechanical building systems, testing and consultant services that are determined by the board of regents to be required for a project;

(2) “architectural services” means those services described by subsection (e) of K.S.A. 74-7003, and amendments thereto;

(3) “construction services” means the work performed by a construction contractor to commence and complete a project;

(4) “construction management at-risk services” means the services

provided by a firm which has entered into a contract with the board of regents to be the construction manager at risk for the value and schedule of the contract for a project, which is to hold the trade contracts and execute the work for a project in a manner similar to a general contractor and which is required to solicit competitive bids for the trade packages developed for a project and to enter into the trade contracts for a project with the lowest responsible bidder therefor, and may include, but are not limited to, such services as scheduling, value analysis, systems analysis, constructability reviews, progress document reviews, subcontractor involvement and prequalification, subcontractor bonding policy, budgeting and price guarantees, and construction coordination;

(5) “division of facilities management” means the division of facilities management of the department of administration;

(6) “engineering services” means those services described by subsection (i) of K.S.A. 74-7003, and amendments thereto;

(7) “firm” means (A) with respect to architectural services, an individual, firm, partnership, corporation, association or other legal entity which is: (i) permitted by law to practice the profession of architecture; and (ii) maintaining an office in Kansas staffed by one or more architects who are licensed by the board of technical professions; or (iii) not maintaining an office in Kansas, but which is qualified to perform special architectural services that are required in special cases where in the judgment of the board of regents it is necessary to go outside the state to obtain such services; (B) with respect to engineering services or land surveying, an individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the profession of engineering and provide engineering services or practice the profession of land surveying and provide land surveying services, respectively; (C) with respect to construction management at-risk services, a qualified individual, firm, partnership, corporation, association or other legal entity permitted by law to perform construction management at-risk services; (D) with respect to ancillary technical services or other services that are determined by the board of regents to be required for a project, a qualified individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the required profession or perform the other required services, as determined by the board of regents; and (E) with respect to construction services, a qualified individual, firm, partnership, corporation, association, or other legal entity permitted by law to perform construction services for a project;

(8) “land surveying” means those services described in subsection (j) of K.S.A. 74-7003, and amendments thereto;

(9) “negotiating committee” means the board of directors of the subsidiary corporation formed under section 5, and amendments thereto;

(10) “project” means (A) the project for the KSU food safety and security research facility, (B) the project for the KUMC biomedical research facility, (C) the project for the WSU engineering complex expansion and research laboratory, or (D) the project for the acquisition and installation of equipment for the KU biosciences research building, which are funded from the proceeds of the bonds authorized to be issued under section 7, and amendments thereto, within the limitation of \$120,000,000, in the aggregate, plus all amounts required for costs of any bond issuance, costs of interest on any bond issued or obtained for such scientific research and development facilities and any required reserves for payment of principal and interest on any such bond, and from any moneys received as gifts, grants or otherwise from any public or private nonstate source;

(11) “project services” means architectural services, engineering services, land surveying, construction management at-risk services, construction services, ancillary technical services or other construction-related services determined by the board of regents to be required for a project; and

(12) “state building advisory commission” means the state building advisory commission created by K.S.A. 75-3780, and amendments thereto.

(b) The board of regents, when acting under authority of this act, and each project authorized by the board of regents under this act are exempt from the provisions of K.S.A. 75-1269, 75-3738 through 75-3741b, 75-3742 through 75-3744, and 75-3783, and amendments thereto, except as otherwise specifically provided by this act.

(c) Notwithstanding the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, or the provisions of any other statute to the contrary, all contracts for any supplies, materials or equipment for a project authorized by the board of regents under this act, shall be entered into in accordance with procurement procedures determined by the board of regents, subject to the provisions of this section, except that, in the discretion of the board of regents, any such contract may be entered into in the manner provided in and subject to the provisions of any such statute otherwise applicable thereto. Notwithstanding the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, if the board of regents does not obtain construction management at-risk services for a project, the construction services for such project shall be obtained pursuant to competitive bids and all contracts for construction services for such project shall be awarded to the lowest responsible bidder in accordance with procurement procedures determined and administered by the board of regents which shall be consistent with the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto.

(d) When it is necessary in the judgment of the board of regents to obtain project services for a particular project by conducting negotiations therefor, the board of regents shall publish a notice of the commencement of negotiations for the required project services at least 15 days prior to the commencement of such negotiations in the Kansas register in accordance with K.S.A. 75-430a, and amendments thereto, and in such other appropriate manner as may be determined by the board of regents.

(e) (1) Notwithstanding the provisions of subsection (b) of K.S.A. 75-1251, and amendments thereto, or the provisions of any other statute to the contrary, as used in K.S.A. 75-1250 through 75-1270, and amendments thereto, with respect to the procurement of architectural services for a project authorized by the board of regents under this act, “negotiating committee” shall mean the board of directors of the subsidiary corporation formed under section 5, and amendments thereto, and such board of directors shall negotiate a contract with a firm to provide any required architectural services for the project in accordance with the provisions of K.S.A. 75-1250 through 75-1270, and amendments thereto, except that no limitation on the fees for architectural services for the project shall apply to the fees negotiated by the board of directors for such architectural services.

(2) Notwithstanding the provisions of subsection (e) of K.S.A. 75-5802, and amendments thereto, or the provisions of any other statute to the contrary, as used in K.S.A. 75-5801 through 75-5807, and amendments thereto, with respect to the procurement of engineering services or land surveying services for a project authorized by the board of regents under this act, “negotiating committee” shall mean the board of directors of the subsidiary corporation formed under section 5, and amendments thereto, and such board of directors shall negotiate a contract with a firm to provide any required engineering services or land surveying services for the project in accordance with the provisions of K.S.A. 75-5801 through 75-5807, and amendments thereto.

(3) In any case of a conflict between the provisions of this section and the provisions of K.S.A. 75-1250 through 75-1270, or 75-5801 through 75-5807, and amendments thereto, with respect to a project authorized by the board of regents under this act, the provisions of this section shall govern.

(f) (1) For the procurement of construction management at-risk services for projects under this act, the secretary of administration shall encourage firms engaged in the performance of construction management at-risk services to submit annually to the secretary of administration and to the state building advisory commission a statement of qualifications and performance data. Each statement shall include data relating to (A) the firm’s capacity and experience, including experience on similar or related projects, (B) the capabilities and other qualifications of the firm’s personnel, and (C) performance data of all consultants the firm proposes to use.

(2) Whenever the board of regents determines that a construction manager at risk is required for a project under this act, the board of regents shall notify the state building advisory commission and the state building advisory commission shall prepare a list of at least three and not more than five firms which are, in the opinion of the state building ad-

visory commission, qualified to serve as construction manager at risk for the project. Such list shall be submitted to the negotiating committee, without any recommendation of preference or other recommendation. The negotiating committee shall have access to statements of qualifications of and performance data on the firms listed by the state building advisory commission and all information and evaluations regarding such firms gathered and developed by the secretary of administration under K.S.A. 75-3783, and amendments thereto.

(3) The negotiating committee shall conduct discussions with each of the firms so listed regarding the project. The negotiating committee shall determine which construction management at-risk services are desired and then shall proceed to negotiate with and attempt to enter into a contract with the firm considered to be most qualified to serve as construction manager at risk for the project. The negotiating committee shall proceed in accordance with the same process with which negotiations are undertaken to contract with a firm to be a project architect under K.S.A. 75-1257, and amendments thereto, to the extent that such provisions can be made to apply. Should the negotiating committee be unable to negotiate a satisfactory contract with the firm considered to be most qualified, negotiations with that firm shall be terminated and shall undertake negotiations with the second most qualified firm, and so forth, in accordance with that statute.

(4) The contract to perform construction management at-risk services for a project shall be prepared by the division of facilities management and entered into by the board of regents with the firm contracting to perform such construction management at-risk services.

(g) (1) To assist in the procurement of construction services for projects under this act, the secretary of administration shall encourage firms engaged in the performance of construction services to submit annually to the secretary of administration and to the state building advisory commission a statement of qualifications and performance data. Each statement shall include data relating to (A) the firm's capacity and experience, including experience on similar or related projects, (B) the capabilities and other qualifications of the firm's personnel, (C) performance data of all subcontractors the firm proposes to use, and (D) such other information related to the qualifications and capability of the firm to perform construction services for projects as may be prescribed by the secretary of administration.

(2) The construction manager at risk shall publish a construction services bid notice in the Kansas register and in such other appropriate manner as may be determined by the board of regents. Each construction services bid notice shall include the request for bids and other bidding information prepared by the construction manager at risk and the state board of regents with the assistance of the division of facilities management. The current statements of qualifications of and performance data on the firms submitting bid proposals shall be made available to the construction manager at risk and the board of regents by the state building advisory commission along with all information and evaluations developed regarding such firms by the secretary of administration under K.S.A. 75-3783, and amendments thereto. Each firm submitting a bid proposal shall be bonded in accordance with K.S.A. 60-1111, and amendments thereto, and shall present evidence of such bond to the construction manager at risk prior to submitting a bid proposal. If a firm submitting a bid proposal fails to present such evidence, such firm shall be deemed unqualified for selection under this subsection. At the time for opening the bids, the construction manager at risk shall evaluate the bids and shall determine the lowest responsible bidder. The construction manager at risk shall enter into contracts with each firm performing the construction services for the project and make a public announcement of each firm selected in accordance with this subsection.

(h) The division of facilities management shall provide such information and assistance as may be requested by the board of regents or the negotiating committee for a project, including all or part of any project services as requested by the board of regents, and (1) shall prepare the request for proposals and publication information for each publication of notice under this section, subject to the provisions of this section, (2) shall prepare each contract for project services for a project, including each contract for construction services for a project, (3) shall conduct design

development reviews for each project, (4) shall review and approve all construction documents for a project prior to soliciting bids or otherwise soliciting proposals from construction contractors or construction service providers for a project, (5) shall obtain and maintain copies of construction documents for each project, and (6) shall conduct periodic inspections of each project, including jointly conducting the final inspection of each project.

(i) Notwithstanding the provisions of any other statute, the board of regents shall enter into one or more contracts with the division of facilities management for each project for the services performed by the division of facilities management for the project as required by this section or at the request of the board of regents. The division of facilities management shall receive fees from the board of regents to recover the costs incurred to provide such services pursuant to such contracts.

(j) Design development reviews and construction document reviews conducted by the division of facilities management shall be limited to ensuring only that the construction documents do not change the project description and that the construction documents comply with the standards established under K.S.A. 75-3783, and amendments thereto, by the secretary of administration for the planning, design and construction of buildings and major repairs and improvements to buildings for state agencies, including applicable building and life safety codes and appropriate and practical energy conservation and efficiency standards.

(k) Each project for a state educational institution shall receive a final joint inspection by the division of facilities management and the board of regents. Each such project shall be officially accepted by the board of regents before such project is occupied or utilized by the state educational institution, unless otherwise agreed to in writing by the contractor and the board of regents as to the satisfactory completion of the work on part of the project that is to be occupied and utilized, including any corrections of the work thereon.

(l) (1) The board of regents shall issue monthly reports of progress on each project and shall advise and consult with the joint committee on state building construction regarding each project. Change orders and changes of plans for a project shall be authorized or approved by the board of regents.

(2) No change order or change of plans for a project involving either cost increases of \$75,000 or more or involving a change in the proposed use of a project shall be authorized or approved by the board of regents without having first advised and consulted with the joint committee on state building construction.

(3) Change orders or changes in plans for a project involving a cost increase of less than \$75,000 and any change order involving a cost reduction, other than a change in the proposed use of the project, may be authorized or approved by the board of regents without prior consultation with the joint committee on state building construction. The board of regents shall report to the joint committee on state building construction all action relating to such change orders or changes in plans.

(4) If the board of regents determines that it is in the best interest of the state to authorize or approve a change order, a change in plans or a change in the proposed use of any project that the board of regents is required to first advise and consult with the joint committee on state building construction prior to issuing such approval and if no meeting of the joint committee is scheduled to take place within the next 10 business days, then the board of regents may use the procedure authorized by subsection (d) of K.S.A. 75-1264, and amendments thereto, in lieu of advising and consulting with the joint committee at a meeting. In any such case, the board of regents shall mail a summary description of the proposed change order, change in plans or change in the proposed use of any project to each member of the joint committee on state building construction and to the director of the legislative research department. If the board of regents provides notice and information to the members of the joint committee and to such director in the manner required and subject to the same provisions and conditions that apply to the secretary of administration under such statute, and if less than two members of the joint committee contact the director of the legislative research department within seven business days of the date the summary description was mailed and request a presentation and review of any such proposed

change order, change in plans or change in use at a meeting of the joint committee, then the board of regents shall be deemed to have advised and consulted with the joint committee about such proposed change order, change in plans or change in proposed use and may authorize or approve such proposed change order, change in plans or change in proposed use.

(m) The provisions of this section shall apply to each project authorized by the board of regents under this act and shall not apply to any other capital improvement project of the board of regents or of any state educational institution that is specifically authorized by any other statute.

Sec. 11. (a) Each contract entered into by a state agency for any nonfederal aid, public works project for a scientific research and development facility under the university research and development enhancement act shall be based on bid or contract specifications prescribing and requiring that employees of any contractor or subcontractor shall be paid not less than the hourly wages, including fringe benefits, paid to corresponding classes of laborers and mechanics employed on similar projects in the county where the project is to be performed. Such minimum wage shall be the wage paid to the majority of the laborers or mechanics, unless the same wages are not paid to a majority, in which case the minimum wage shall be the average wages paid, weighted by the total employed in the classification. In the alternative, the minimum wage shall be that determined under federal law which would be required to be paid on federally-funded projects at the location of the public works project.

(b) Employees employed by contractors or subcontractors in the execution of any nonfederal aid, public works project contract subject to this section with any state agency shall be paid not less than the wages as determined pursuant to subsection (a).

(c) As used in this section, “state agency” means the board of regents, the subsidiary corporation of the board of regents formed pursuant to section 5, and amendments thereto, any firm performing construction management at-risk services under section 10, and amendments thereto, or any state educational institution.

(d) The provisions of this section shall apply only to contracts for the following projects under the university research and development enhancement act: (1) The project for the KUMC bio-medical research facility, and (2) the project for the WSU engineering complex expansion and research laboratory.

Sec. 12. If any provision of this act or any application thereof is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Sec. 13. The state board of regents is hereby authorized to initiate and complete capital improvement projects for the acquisition and installation of laboratories and equipment for icing and wind tunnels, crash testing and advanced manufacturing, including associated construction, remodeling or renovation, and such capital improvement projects are hereby approved for the National Institute for Aviation Research for the purposes of subsection (b) of K.S.A. 74-8905, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute. In accordance with the provisions of appropriation acts, the board of regents is hereby authorized to make expenditures from the aviation research facility fund which is hereby established in the state treasury for the acquisition, construction, installation and equipment of the capital improvement projects authorized by this section. In accordance with the provisions of appropriation acts, the board of regents may make expenditures from the aviation research facility fund for the payment of debt service on any revenue bonds issued to finance such project. The aggregate amount of all such revenue bonds issued for such capital improvement project shall not exceed \$13,000,000, plus all amounts required for costs of bond issuance, costs of interest on any bonds issued for such capital improvement project during the period of acquisition, installation and construction, remodeling or renovation for such project and any required reserve for the payment of principal and interest on the bonds. All moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants. Debt service for any such bonds

for such capital improvement project shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds, and shall be in addition to any other amounts authorized within this act.

Sec. 14. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.