
State Government Committee

HB 2551

Brief Description: Authorizing additional school district capital demonstration projects.

Sponsors: Representatives Romero, Schmidt, Miloscia and Haigh.

Brief Summary of Bill

- The threshold amount for using either of the alternative public works procedures is lowered from \$12 million to \$10 million.
- School district project review boards may authorize ten demonstration projects over \$5 million, of which at least two must be between \$5 million and \$10 million, and are no longer restricted to approving only one demonstration project for each school district.

Hearing Date: 1/31/02

Staff: Catherine Blinn (786-7114).

Background:

Public works projects include construction, building, renovation, remodeling, alteration, repair or improvement of real property. The method by which contracts for public works projects are awarded is based on the estimated cost of the project and the size of the public entity. Several state agencies and local governments are authorized to use alternative public works contracting procedures to award contracts that are over \$12 million. One procedure is the "design-build" procedure and the other is the "general contractor/construction manager" (GCCM) procedure. The following government entities are eligible to use either of the alternative public works procedures:

- Department of General Administration;
- University of Washington;
- Washington State University;
- cities with over 70,000 people and, with approval, public authorities chartered by cities with over 70,000 people;
- counties with over 450,000;
- port districts with total revenues over \$15 million per year; and
- public utility districts with revenues from energy sales over \$23 million per year.

The government entity must include a number of details in the request for proposals, such as

a detailed description of the project, the reasons for using the design-build or GCCM procedure, a description of the qualifications required of the bidder firm, a description of the process the government entity will use to evaluate the proposals, and the form of the contract.

The design-build procedure is a multi-step competitive process to award a contract to a single firm that agrees to both design and build a public facility that meets specific criteria. The contract is awarded following a public request of proposals for design-build services. Following extensive evaluation of the proposals, the contract is awarded to the firm that submits the best and final proposal with the lowest price.

Under the GCCM procedure, a contract is awarded to a single firm for a guaranteed construction cost after competitive selection. The contract is to provide services during the design phase, and to act as both the construction manager and the general contractor during the construction phase. Use of the GCCM procedure requires that the project meet specified criteria, such as the success of the project necessitates involvement of the GCCM during the design stage. Following an extensive evaluation process, the government entity must award the contract to the firm that submits the final proposal scoring the highest based on outlined evaluation factors. The maximum construction cost guaranteed by the GCCM is negotiated between the parties after the scope of the project is adequately determined.

Government entities may use the GCCM procedure for the construction of school district capital demonstration projects if:

- the project is approved by the school district project review board;
- the school district project review board does not authorize more than two demonstration projects valued over \$10 million and two demonstration projects valued between \$5 million and \$10 million; and
- the school district project review board does not approve more than one demonstration project for each school district.

Summary of Bill:

The threshold amount for using either the design-build procedure or the GCCM procedure is lowered from \$12 million to \$10 million for all government entities eligible to use an alternative public works procedure.

School district project review boards that currently may only authorize two demonstration projects over \$10 million and two demonstration projects between \$5 million and \$10 million, may instead authorize ten demonstration projects over \$5 million, of which at least two must be between \$5 million and \$10 million. The school district project review board is no longer restricted to approving only one project for each school district.

Rulemaking Authority: No express authority.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.