

HOUSE BILL REPORT

ESHB 1777

*As Passed House
March 19, 1991*

Title: An act relating to expedited prison construction.

Brief Description: Expediting new prison construction.

Sponsor(s): By House Committee on Human Services (originally sponsored by Representatives H. Sommers, Schmidt, Hargrove, Braddock, Leonard, Winsley, Fraser, Bowman, Zellinsky, Holland, Paris, Basich and May; by request of Department of Corrections).

Brief History:

Reported by House Committee on:
Human Services, February 21, 1991, DPS;
Capital Fac. & Financing, March 5, 1991, DPS(HS)-A;
Passed House, March 19, 1991, 94-4.

**HOUSE COMMITTEE ON
HUMAN SERVICES**

Majority Report: *That Substitute House Bill No. 1777 be substituted therefor, and the substitute bill do pass.* Signed by 11 members: Representatives Leonard, Chair; Riley, Vice Chair; Winsley, Ranking Minority Member; Tate, Assistant Ranking Minority Member; Anderson; Beck; Brekke; Hargrove; Hochstatter; R. King; and H. Myers.

Staff: Antonio Sanchez (786-7146).

**HOUSE COMMITTEE ON
CAPITAL FACILITIES & FINANCING**

Majority Report: *The substitute bill by Committee on Human Services be substituted therefor and the substitute bill as amended by Committee on Capital Facilities & Financing do pass.* Signed by 14 members: Representatives H. Sommers, Chair; Rasmussen, Vice Chair; Schmidt, Ranking Minority Member; Neher, Assistant Ranking Minority Member; Beck; Braddock; Brough; Casada; Fraser; Jacobsen; Ogden; Peery; Silver; and Wang.

Minority Report: *Do not pass.* Signed by 1 member: Representative Heavey.

Staff: Victor Moore (786-7143).

Background: Prison population forecasts by the Department of Corrections indicate that the number of prison beds that need to be constructed in the near future is substantial. The current prison capacity of 7,471 will need to approximately double by the year 2000, to house the expected additional prisoners.

Public works laws require that a sequential, and often time consuming, process must be followed. The process involves complete design by the state or by an architect/engineer firm, advertisement, bid, award to the lowest bidder, followed by construction.

In an effort to expedite the building of new prison space, several construction models were reviewed by the Department of General Administration and the Department of Corrections. One model that could potentially reduce the construction time was identified. This model eliminates the sequential process of design and then builds and replaces it with a expedited model that uses a professional general construction/contract manager firm to coordinate the design and construction simultaneously. A similar model for expediting prison construction has been tried successfully in other states for expediting prison construction.

Summary of Bill: Public works laws outlining the sequence required for designing and constructing a publicly funded facility are temporally amended. The director of the Department of General Administration is given the ability to contract with a single general contractor/construction manager (GC/CM) firm, to provide concurrent preparation of design plans, specifications and advertising, and competitive bidding of construction contracts.

The authorization is limited to:

- 1) Department of Corrections capital projects funded in the 1991-1993 biennium for over \$10,000 at the McNeil Island Correction Center, Clallam Bay Corrections Center, and for the construction of two 399-bed drug camps, three 499-bed work camps, and a 1,024-bed prison;
- 2) any other additional correctional facilities that may be authorized by the Legislature during the biennium ending June 30, 1993; and
- 3) contracts signed before July 1, 1996.

The Department of General Administration is required to establish an independent oversight committee to review selection and contracting procedures. Membership of the committee will include representatives of a variety of interest groups, the Department of Corrections, and the private sector. The director of the Department of General Administration is required to establish a committee to evaluate contract proposals using the following criteria: the ability of the professional personnel; past performance in negotiated and complex projects; location; ability to meet time and budget requirements; and the overall concept of the proposal.

The Department of General Administration is required to negotiate a guaranteed, maximum allowable construction cost for the projects while the contractor (GC/CM) is required to guarantee the maximum allowable costs. Any cost increases above the negotiated and contracted maximum allowable costs, will be incurred by the firm unless the state has requested the contract change.

An incentive of up to 5 percent of the maximum allowable cost for the project, can be included in the contract with the general contractor/construction manager firm. All sub-contract work is required to be competitively bid with public bid openings. The firm is required to provide a performance and payment bond.

The authority granted under sections 1 and 2 this measure would expire June 30, 1996.

An emergency is declared, allowing the law to take effect immediately.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: (Human Services) The current and expected growth of our state's inmate population will require the State to build new prisons quickly. The proposed method for cutting construction time will enable the State to meet it's construction goals and insure that the projects will come in on time and on budget.

(Capital Facilities & Financing) The bill will allow the state to save time in the construction of new correctional facilities. The process has been tried and implemented successfully in the state of Oregon.

Testimony Against: (Human Services) None.

Capital Facilities & Financing) The lack of a requirement to name subcontractors in any of the public bids will allow for "bid shopping" to the detriment of potential subcontractors.

Witnesses: (Human Services) John King, Department of Corrections; Paul Parker, Association of Counties; Don Avery, City of Dayton; Don Graedel, City of Odessa; Richard Habarmon, Mayor of Forks; Lawrence Gaydesri, Clallam County; and Roland Dahurst, Associated General Contractors of Washington.

(Capital Facilities & Financing) John King, Department of Corrections (in favor); Grant Fredericks, Department of General Administration (in favor); Bill Hirsch, state of Oregon (in favor); Duke Shaub, Association of General Contractors (in favor); and Larry Stevens, Mechanical and Electrical Contractors.