

FINAL BILL REPORT

SHB 2239

C 80 L 94
Synopsis as Enacted

Brief Description: Providing procedures for innovative prison construction.

By House Committee on Capital Budget (originally sponsored by Representatives Wang, Ogden, Sehlin, Silver, Jones, King, Karahalios, Eide and Springer; by request of Department of Corrections and Department of General Administration).

House Committee on Capital Budget
Senate Committee on Ways & Means
Senate Committee on Government Operations

Background: During the 1991 Legislative Session, the Department of Corrections (DOC) and the Department of General Administration (GA) were authorized to use an alternative form of public works contracting, known as the "General Contractor/Construction Manager" (GC/CM) method, to construct new prison facilities to accommodate the rapidly growing inmate population. Authority to use the GC/CM process was limited to projects over \$10 million authorized during the 1991-93 biennium, and to contracts signed before July 1, 1996.

GC/CM differs from the traditional public works contracting process used by state and local governments in two major respects. First, the GC/CM process melds the architectural design and construction phases of a project into one, allowing design and construction to occur simultaneously. Under GC/CM, an agency enters into two contracts - one with an architectural firm to design the facility, and one with a GC/CM firm to assist in developing and evaluating the facility design and to manage the construction. Most of the actual construction work under GC/CM is broken into parts and competitively bid to subcontractors using the public bid process. Second, the GC/CM firm is required to guarantee that the project will be constructed within a maximum allowable construction cost (MACC). If the total cost at completion of the project is greater than the guaranteed MACC, the additional cost is the responsibility of the GC/CM.

The GC/CM firm must be selected through a competitive process that includes prequalification of potential bidders based on their demonstrated professional, technical, and

financial abilities, and final selection based on the lowest bid for GC/CM services. Each bid package for subcontractor work must meet or exceed specific goals for minority and women business enterprise participation. The GC/CM is prohibited from performing subcontract work. Subcontractors who bid work over \$100,000 are required to post a bid bond. The GC/CM may also require performance and payment bonds on subcontract work over \$100,000. GA is required to establish an independent oversight advisory committee to review GC/CM selection and contracting procedures.

Summary: The authority for GA and DOC to use the GC/CM process for prison construction projects is extended to July 1, 1997. In addition to the current authority to use GC/CM for projects valued over \$10 million, DOC and GA are also authorized to use GC/CM for two demonstration projects that aggregate small capital projects at a single site to total at least \$3 million.

The responsibilities of the existing Independent Oversight Advisory Committee are expanded. In addition to its previous responsibilities, the committee must also review contracting documents and the two demonstration projects.

Instead of specifying minority and women business enterprise participation goals for each subcontract bid package, GA must specify minority and women enterprise requirements for subcontract bid packages that exceed 10 percent of the total project cost.

The threshold for subcontractor posting of bid, payment, and performance bonds is raised to \$200,000 from \$100,000.

Votes on Final Passage:

House	51	42
Senate	47	1

Effective: March 23, 1994