

SENATE BILL REPORT

SB 6439

As Reported By Senate Committee On:
Transportation, February 3, 1998

Title: An act relating to construction of certain highway projects under a design-build procedure.

Brief Description: Authorizing design-build demonstration projects.

Sponsors: Senators Wood, Haugen, Prince and Horn; by request of Department of Transportation.

Brief History:

Committee Activity: Transportation: 1/22/98, 2/3/98 [DPS, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6439 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prince, Chair; Benton, Vice Chair; Wood, Vice Chair; Goings, Haugen, Horn, Jacobsen, Morton, Oke, Patterson, Rasmussen and Sellar.

Minority Report: Do not pass.

Signed by Senator Heavey.

Staff: Jennifer Hanlon (786-7316)

Background: The Department of Transportation (DOT) construction contracting procedure requires the department to award the contract for the design phase prior to contracting for the construction phase. The department does not currently have authority to use the design-build method of contracting. Design-build authority would allow the department to enter into a single contract with the design-build contractor. The contractual responsibility to the state for full performance of all phases of the contract would be vested in the design-build contractor. Proponents of the design-build method maintain that this procedure facilitates construction of capital projects in a manner that is more timely and efficient than awarding the design and construction contracts separately.

Summary of Substitute Bill: The department must develop a process for awarding competitively bid highway construction contracts using a design-build procedure. The process must include the scope of services required under the design-build procedure, contractor prequalification requirements, criteria for evaluating technical information and project costs, contractor selection criteria, and an issue resolution process.

The department selects two demonstration projects. The projects must be normally valued over \$10 million. The project also must involve highly specialized construction activities, provide an opportunity for greater innovation, or provide an opportunity for significant

savings in time. The department must present progress reports to the Legislative Transportation Committee (LTC) and Public Works Oversight Committee, as well as a final report within one year of completion of the projects. The report must outline the advantages and disadvantages of the design-build process and make recommendations for possible changes in the law.

This act expires on April 1, 2001.

Substitute Bill Compared to Original Bill: The design-build project criteria includes requirements that the project be normally valued over \$10 million. The project also must involve highly specialized construction activities, an opportunity for greater innovation, or significant savings in delivery time. DOT must report to LTC and the Alternative Public Works Oversight Committee. The act expires April 1, 2001.

Appropriation: None.

Fiscal Note: Requested on January 19, 1998.

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

Testimony For: Design-build contracting is an effective alternative delivery process, but DOT does not intend to use it as a standard way of doing business. Design-build is an increasingly accepted contracting methodology.

Testimony Against: Sureties should be exempt for the design phase. Small contractors will not be able to bid. No one is required to approve the process developed by DOT.

Testified: PRO: Senator Wood, prime sponsor; Tom Nelson, WSDOT; Cliff Mansfield, WSDOT; Duke Schaub, AGC; CON: Larry Stephens, Contractor's Bonding and Insurance Company.