

FINAL BILL REPORT

HB 1070

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Synopsis as Enacted

Brief Description: Authorizing the general contractor/construction manager contracting procedure for school district capital projects.

Sponsors: Representatives Romero and D. Schmidt; by request of Alternative Public Works Methods Oversight Committee.

House Committee on State Government
Senate Committee on State & Local Government

Background:

Several different state agencies and local governments have been authorized to use alternative public works contracting procedures to award contracts on certain public works contracts of very large dollar values. One alternative procedure is the design-build procedure. Another alternative procedure is the general contractor/construction manager procedure. Authority to use these alternative procedures terminates on July 1, 2001.

A temporary Independent Oversight Committee reviews these alternative bidding procedures and recommends changes in contracting laws to the Legislature.

The general contractor/construction manager procedure (GCCM) is a multi-step competitive process for awarding a contract for a single firm to provide services during the design phase, as well as acting as both the construction manager and general contractor during the construction phase, of a public works project with a relatively high cost. The general contractor guarantees the project budget under this procedure.

The GCCM procedure involves: (1) soliciting proposals; (2) using an evaluation committee to review proposals; (3) selecting three to five finalists to submit final proposals based upon various evaluation factors, including past performance, ability to meet time and budget requirements, work loads, and project concept; (4) scoring the final proposals by measuring quality and technical merits on a unit price basis; (5) selecting a finalist on the basis of responsiveness and lowest price from among the finalists who are able to produce plans and specifications meeting project requirements; and (6) directly negotiating a contract with the selected firm over the maximum allowable construction costs. Negotiations may be terminated with the

selected firm if an agreement is not reached and opened with the next highest scored firm until an agreement is reached or the process terminated.

The Department of General Administration, University of Washington, Washington State University, every county with a population of greater than 450,000 (King, Pierce, and Snohomish counties), every city with a population in excess of 150,000 (Seattle, Tacoma, and Spokane), port districts with populations in excess of 500,000 (Port of Seattle, and Port of Tacoma), and a public facilities district constructing a baseball stadium may award contracts using the GCCM procedure on any project with an estimated cost of \$10 million or more. In addition, those entities may use the GCCM process on several demonstration projects of between \$3 million and \$10 million in estimated cost.

Summary of Bill:

Four demonstration projects are authorized for school districts to award contracts for public works projects using the GCCM procedure. Two of these projects must be in excess of \$10 million. Two of these projects must be from \$5 million to \$10 million. Each project must be approved by the School District Project Review Board. A single school district may not be authorized to use this procedure on more than one project.

The School District Project Review Board is established to authorize four separate school districts to participate in these demonstration projects. The board consists of ten persons selected by the Independent Oversight Committee, including: (1) a representative from the Office of the Superintendent of Public Instruction; (2) a representative from the Office of Financial Management; (3) two representatives from the construction industry, one of whom works for a company with gross annual revenues of \$20 million or less; (4) a representative from the specialty contracting industry; (5) a representative from organized labor; (6) a representative from the design industry; (7) a representative from a public body that has used the alternative contracting procedures; and (8) two representatives from school districts, one of which has 10,000 or more annual average full-time equivalent students and the other which has less than 10,000 or more annual average full-time equivalent students.

A variety of factors are established for the School District Project Review Board to authorize school districts to use the GCCM procedure, including past construction activity and an explanation of why the use of this procedure is in the public interest. The School District Project Review Board must prepare a report reviewing school district use of this procedure.

A school district using the GCCM procedure may not consider whether a contractor has had prior experience in the GCCM procedure as part of its evaluation of bid proposals submitted by contractors.

Votes on Final Passage:

House 96 0

Senate 39 5 (Senate amended)

House 80 1 (House concurred)

Effective: June 8, 2000