

State Government Committee

ESSB 5060

Brief Description: *Revising alternative public works contracting procedures.*

Sponsors: *By Senate Committee on State & Local Government (originally sponsored by Senators Winsley and Patterson).*

Brief Summary of Engrossed Substitute Bill

- *Extends authority to use alternative public works procedures for six years until July 1, 2007.*
- *Increases the minimum dollar value of a contract that may be awarded using one of the alternative procedures, other than a demonstration school project, from \$10 million to \$12 million initially and to \$16 million after January 1, 2010.*
- *Expands agencies and local governments authorized to use the alternative public works procedures.*
- *Allows a city, authorized to use the alternative public works procedure, to authorize specific projects for a public authority that the city chartered to award contracts using alternative public works procedures.*
- *Provides details for the owner and general contractor/construction manager to determine subcontractor bidder eligibility.*

Hearing Date: *3/23/01*

Staff: *Steve Lundin (786-7127).*

Background:

Differing procedures are established for state agencies and various local governments to award contracts for public works projects.

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 a relatively high cost. One alternative procedure is the "design-build" procedure. Another alternative procedure is the "general contractor/construction manager" (GCCM) procedure. In most instances, each contract awarded under either of these procedures must be valued over \$10 million. Authority to use these alternative public works contracting procedures terminates on July 1, 2001.

The GCCM procedure is a multi-step competitive process to award 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, for a public facility with a relatively high cost. The contractor guarantees the project budget under this procedure.

The design-build procedure is a multi-step competitive process to award a contract for a single firm to design and construct a public facility or portion of a public facility with a relatively high cost.

The Department of General Administration, University of Washington, Washington State University, every county with a population greater than 450,000 (King, Pierce, and Snohomish counties), every city with a population greater than 150,000 (Seattle, Tacoma, and Spokane), and any port district with a population greater than 500,000 (Port of Seattle, and Port of Tacoma) may use the alternative public works contracting procedures.

A temporary independent oversight committee was created to review the use of these alternative public works procedures and make recommendations to the Legislature on governmental contracting procedures.

In addition, school districts may award contracts for four demonstration projects using the GCCM procedure, if the projects are approved by a school district project review board appointed by the independent oversight committee. Two of the demonstration projects must be valued over \$10 million and two must be valued between \$5 million and \$10 million.

Summary of Bill:

Authority to use the alternative public works contracting procedures is extended for six years until July 1, 2007.

The temporary independent oversight committee is renamed as the public works procurement committee.

The minimum dollar value of a contract that may awarded using one of these alternative procedures, other than one of the demonstration school projects, is increased from \$10 million to \$12 million initially and to \$16 million after January 1, 2010.

Authority to use the alternative public works contracting procedures is expanded to the following agencies or local governments:

- *All of the remaining four-year institutions of higher education (Central Washington*

University, Eastern Washington University, Western Washington University, and The Evergreen State College);

- *The minimum population of a city eligible to use these procedures is reduced from 150,000 to 70,000, adding Vancouver, Bellevue, Everett, Federal Way, and Kent;*
- *The minimum population of a county eligible to use these procedures is reduced from 450,000 to 300,000, adding Spokane and Clark Counties;*
- *Port districts eligible to use these procedures are expanded by changing the class of eligible ports from a port with a population of 500,000 or more to a port district with total revenues greater than \$15 million per year or ever. If 1998 figures for annual total revenues are used this adds the Ports of Longview, Vancouver, Everett, and Bellingham;*
- *Allowing any public utility district with revenues from energy sales of greater than \$65 million per year which, based upon 1996 energy sales, includes Snohomish County PUD, Clark County PUD, Cowlitz County PUD, Grant County PUD, and Benton County PUD.*

Any city, authorized to use the alternative public works procedures, may approve specific projects for a public authority that the city chartered to award contracts using the alternative public works procedures.

Criteria are provided for a GCCM to determine the eligibility of subcontractors performing work on the project, including financial resources, history of successful completion of contracts of a similar scope, management and supervision personnel experience on similar projects, current and projected workloads, ability to accurately estimate the subcontractor bid package scope of work, ability to meet subcontractor bid package shop drawing and other coordination procedures, eligibility to receive an award under applicable laws and regulations, and ability to meet subcontract bid package scheduling requirements. Notice of a determination of eligibility must be published in a legal newspaper of general circulation published in or near to where the work will be done. Evaluation criteria and weighting will be supplied to subcontractors requesting eligibility. Results and scoring by the the owner and general contractor/construction manager must be supplied to subcontractors requesting eligibility.

Rulemaking Authority: *No express authority.*

Appropriation: *None.*

Fiscal Note: *Not Requested.*

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