

HOUSE BILL REPORT

HB 1479

As Passed House:

March 13, 2003

Title: An act relating to authorizing the ferry system to use alternative public works contracting procedures.

Brief Description: Authorizing the ferry system to use alternative public works contracting procedures.

Sponsors: By Representatives Sullivan, Ericksen, Rockefeller, Miloscia and Woods; by request of Department of Transportation.

Brief History:

Committee Activity:

Transportation: 2/20/03, 2/28/03 [DP].

Floor Activity:

Passed House: 3/13/03, 96-0.

Brief Summary of Bill

- Allows the Washington State Ferries access to alternative public works contracting procedures.
- Enables the Washington State Ferries to use the "general contractor/construction manager" contracting procedure for large capital projects.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 21 members: Representatives Murray, Chair; Rockefeller, Vice Chair; Simpson, Vice Chair; Ericksen, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Clibborn, Cooper, Dickerson, Flannigan, Hankins, Hatfield, Hudgins, Kristiansen, Lovick, Morris, Nixon, Romero, Shabro, Sullivan, Wallace and Wood.

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

Staff: Jay Alexander (786-7339).

Background:

Alternative public works contracting procedures are allowable to certain, authorized entities when awarding contracts on public works until July 1, 2007. The two allowed procedures are the "design-build" and "general contractor/construction manager" (GCCM) procedures. 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 that meets certain criteria. The GCCM procedure is a multi-step competitive process to award a contract for a single firm to provide services during the design phase of a public works project, that meets certain criteria, as well as acting as both the construction manager and general contractor during the construction phase of the project. The contractor guarantees the project budget, or maximum allowable construction costs.

The specific entities currently authorized to use alternative public works contracting procedures include the Department of General Administration; the University of Washington; Washington State University; every city with a population greater than 70,000 and any public authority chartered by such city, meeting certain criteria; every county with a population greater than 450,000; every port district with total revenues greater than \$15 million per year; every public utility district with revenues from energy sales greater than \$23 million per year; and school districts proposing projects that are considered and approved by the school district project review board under RCW 39.10.115.

The Department of Transportation (DOT) currently has the authority to enter into design-build contracts for highway and ferry construction projects. The authority was granted to the DOT in Chapter 226, Laws of 2001. This authority expires April 30, 2008.

Summary of Bill:

The Department of Transportation State Ferry system is added to the state and local entities authorized to participate in alternative public works contracting procedures as outlined in RCW 39.10.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Provides multiple benefits to the construction process, including: a quicker process, more accountability, greater flexibility, improved cost certainty,

improved on-time delivery, and a reduced number of project change orders.

Testimony Against: Concerns that with the number of entities allowed to participate in alternative public works contracting procedures, without raising the minimum project dollar value, will lead to decreased competition on the projects and a reduced level of minority and smaller contracting firms being able to secure contracts. Also the bill does not specifically limit the Washington State Ferries to using the general contractor/construction manager procedure for terminal and/or land based construction activity only.

Testified: (In support) Representative Sullivan, prime sponsor; Rodger Benson, MA Mortenson Co.; Russ East, Washington State Ferries; and Tom Peterson, Hoffman Construction.

(In support with concerns) Jonathan Platt, JM Martinac Shipbuilding Corporation.

(With concerns) R. Henry Rose, The Poor People Project.

(Opposed) Larry Stevens, Mechanical Contractor's Association and National Electrical Contractors Association.