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**State Government Committee**

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**HB 1891**

**Brief Description:** Modifying contracting provisions for school district capital demonstration projects.

**Sponsors:** Representatives Miloscia and Armstrong.

**Brief Summary of Bill**

- Increases the number of capital projects the school district project review board may approve from ten projects to 20 projects.

**Hearing Date:** 2/25/03

**Staff:** Katie Blinn (786-7114).

**Background:**

Contracts for public works projects are usually awarded based on the traditional bid-build process. The government body retains an architectural firm to design the facility, puts the construction phase of the project out for competitive bid, and awards the contract to the lowest responsible bidder.

However, specific state and local government entities are authorized to use alternative public works contracting procedures for projects valued over \$10 million. One alternative procedure is the "design-build" procedure and the other is the "general contractor/construction manager" (GCCM) procedure. When using either the design-build or GCCM procedure, the government entity must include a number of details in the request for proposals, such as a detailed description of the project, the reasons for using an alternative procedure, the qualifications required of all firms bidding on the project, the process the government entity will use to evaluate the proposals, and the form of the contract.

Under the GCCM procedure, a contract is awarded to a single firm for a guaranteed construction cost. Under the contract, the firm provides services during the design phase, and acts as both construction manager and general contractor during the construction phase. Use of the GCCM procedure requires that the project meet specified criteria, such as the success of the project necessitates involvement of the general contractor during the design stage. Following an extensive evaluation process, the government entity must award the

contract to the firm that submits the final proposal that receives the highest score based on outlined evaluation factors. The maximum construction cost guaranteed by the GCCM is negotiated between the parties after the scope of the project is adequately determined.

School districts may use the GCCM procedure for the construction of school capital projects valued over \$5 million if the project is approved by the school district project review board (Board). The Board may authorize up to ten projects, of which at least two must be valued between \$5 million and \$10 million.

The design-build and GCCM procedures were authorized by the legislature in 1994, and will expire in 2007.

**Summary of Bill:**

The number of projects the Board may approve is increased from ten projects to 20 projects. "Only" two projects, instead of "at least" two projects, must be valued between \$5 million and \$10 million.

**Appropriation:** None.

**Fiscal Note:** Requested on February 19, 2003.

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