
State Government Committee

HB 2112

Brief Description: Reviewing the use of the general contractor/construction manager procedures authorized in chapter 39.10 RCW.

Sponsors: Representatives Haigh, Miloscia, Eickmeyer and Edwards.

Brief Summary of Bill

- Requires the Joint Legislative Audit and Review Committee to conduct a study of the public works projects built since 1994 using the general contractor/construction manager (GCCM) procedure.
- Authorizes an oversight committee to examine the practices and use of the GCCM procedures for public works projects.

Hearing Date: 3/4/03

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. For instance, 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.

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

Summary of Bill:

The Joint Legislative Audit and Review Committee (JLARC) must conduct a study of the public works projects built since 1994 using the GCCM procedure. The study must include:

- an analysis of the costs and benefits of each jurisdiction's use of GCCM procedures as opposed to other public works contracting procedures, including the fiscal impacts;
- an examination of the jurisdictions that used the GCCM procedure for a public works project; and
- an examination of the number, size, and cost of public works projects built using the GCCM procedure.

The JLARC must report its findings and recommendations to the appropriate standing committees of the Legislature by December 31, 2003.

An independent oversight committee is established to examine the practices and use of GCCM procedures for public works projects built after 1994. The committee shall consider the findings and recommendations of the JLARC, and consider recommendations for changes to the procedures. The committee is composed of:

- four legislators, two from each caucus of each house;
- representatives from the contracting industry;
- representatives from the subcontracting industry;
- representatives from the design industry;
- representatives from appropriate labor organizations;
- representatives from public bodies currently authorized to use alternative public works contracting procedures; and
- a representative from the Office of Financial Management.

The committee shall report its findings and recommendations to the appropriate standing committees of the Legislature by December 10 of each year.

Appropriation: None.

Fiscal Note: Not Requested.

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

passed.