# Washington State House of Representatives Office of Program Research

BILL ANALYSIS

## **Education Committee**

## SB 6163

**Brief Description:** Authorizing school building construction demonstration projects by second class school districts.

**Sponsors:** Senators Johnson, Doumit, Pflug and Schmidt.

#### **Brief Summary of Bill**

- As a demonstration project, permits three second class school districts to use a design/build contracting approach to construct an integrated K-12 school building.
- Expires on July 1, 2007.

Hearing Date: 2/23/04

Staff: Susan Morrissey (786-7111).

#### **Background:**

By law, state agencies and local governments have certain contracting requirements that must be met for public works construction projects. In the traditional contracting process, the government body retains a 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.

School districts and other government entities have been authorized to use alternative public works contracting procedures for certain projects. One alternative procedure is the "general contractor/construction manager" (GC/CM) procedure. The GC/CM procedure is a multi-step competitive process to award a contract to a single firm for the entire process. The contractor provides services during the design phase and acts as both the construction manager and general contractor during the construction phase. The contractor guarantees the project budget or the maximum allowable construction cost. According to a program description, the process is designed to improve cost containment, construction quality and overall success of school building projects.

School districts are authorized to use the GC/CM procedure for the construction of school district capital demonstration projects. The school district must receive approval from the School District Project Review Board. The membership of the board is determined by law. Authority to use this alternative public works contracting procedure terminates July 1, 2007.

A second type of alternative procedure is a design/build procedure. Design/build is also a multistep competitive process to award a contract to a single firm. The firm will design and construct the public facility or portion of the public facility that meets certain criteria. In the design/build approach, the contractor does not guarantee the budget. Under current law, school districts do not have the authority to use the design/build procedure.

School districts in Washington are classified as first or second class. Second class school districts are defined in statute as those districts with less than 2,000 students. There are approximately 192 second class districts.

### **Summary of Bill:**

As a demonstration project, three second class school districts are allowed to use the design/build procedure to each construct an integrated K-12 single structure school building. Each project must be valued between \$5 million and \$12 million and must be approved by the School District Project Review Board. When each participating district selects a design-build firm for its project, it must consider the firm's experience working on projects of that magnitude.

The Office of the Superintendent of Public Instruction must notify all second class school districts when the contracts for the three projects have been awarded. The contracts must be signed before July 1, 2007. Authority to use this alternative contracting procedure terminates July 1, 2007.

**Appropriation:** None.

Fiscal Note: Available.

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