

# SENATE BILL REPORT

## SHB 3124

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As of February 24, 2004

**Title:** An act relating to allowing a general contractor/construction manager to perform more than thirty percent of a project when it involves tunneling.

**Brief Description:** Allowing a general contractor/construction manager to perform more than thirty percent of a project when it involves tunneling.

**Sponsors:** House Committee on State Government (originally sponsored by Representatives Miloscia and Jarrett).

**Brief History:**

**Committee Activity:** Government Operations & Elections: 2/25/04.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Staff:** Diane Smith (786-7410)

**Background:** 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 very large dollar values. These procedures include: 1) the design-build procedure; 2) the general contractor/construction manager (GCCM) procedure; and 3) the job order contracting procedure. Authority to use these alternative procedures terminates on July 1, 2007.

The GCCM procedure is limited to public works projects valued over \$10 million where: 1) implementation of the project involves complex scheduling requirements; 2) the project involves construction at an existing facility which must continue to operate during construction; or 3) the involvement of the GCCM during the design stage is critical to the success of the project.

Awarding a GCCM contract is a multi-step competitive process. A contract is awarded to a single firm to provide services during the design and construction phases of a project, and the selected firm acts as both the construction manager and general contractor for the project. Under this procedure, the contractor guarantees the project budget.

All subcontract work under the GCCM procedure is competitively bid. Subcontract bid packages are awarded to the responsible bidder submitting the low responsive bid. The GCCM contractor or its subsidiaries may only bid on subcontract work under the following provisions:

- The work under the subcontract is work customarily performed by the GCCM firm;
- The bid opening is managed by the public body; and
- Notification of the GCCM firm's intention to bid is included in the public solicitation of bids for the bid package.

The value of subcontract work performed by the GCCM firm may not exceed 30 percent of the negotiated maximum allowable construction cost.

**Summary of Bill:** The value of subcontract work performed by the GCCM contractor may not exceed 30 percent of the negotiated maximum allowable construction cost unless the subcontract is for constructing tunnels with a contract value greater than \$75 million and the public body is a city or county with a population greater than one million.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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