

SENATE BILL REPORT

SB 5845

As Passed Senate, March 18, 2003

Title: An act relating to school district capital demonstration projects.

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

Sponsors: Senators Schmidt, McAuliffe, Kastama, Winsley, Regala and Rasmussen.

Brief History:

Committee Activity: Education: 3/4/03, 3/5/03 [DP].

Passed Senate: 3/18/03, 47-0.

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass.

Signed by Senators Johnson, Chair; Zarelli, Vice Chair; Carlson, Eide, Finkbeiner, McAuliffe, Rasmussen and Schmidt.

Staff: Heather Lewis-Lechner (786-7448)

Background: Different procedures are established for state agencies and local governments to award contracts for public works construction projects. In the traditional 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.

However, school districts and other government entities have been authorized to use alternative public works contracting procedures on certain public works projects. One alternative procedure is the "general contractor/construction manager" (GCCM) procedure. Authority to use this alternative public works contracting procedure terminates July 1, 2007.

The GCCM procedure is a multi-step competitive process to award a contract for a public facility project that meets specified criteria to a single firm. Under the contract the firm provides services during the design phase, and acts as both the construction manager and general contractor during the construction phase.

School districts are authorized to use the GCCM procedure for the construction of school district capital demonstration projects. The school district must receive approval from the School District Project Review Board (Board). The Board may authorize up to ten demonstration projects valued over \$5 million, of which at least two demonstration projects must be valued between \$5 and \$10 million.

Summary of Bill: The Board may authorize up to 20 demonstration projects valued over \$5 million, of which only two demonstration projects must be valued between \$5 and \$10 million.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The GCCM procedure is an effective and flexible process that saves school districts money. The ability to use the GCCM has proven to be a valuable and successful tool for those schools that have been able to use it. It is an excellent opportunity for those districts that are facing complex construction projects. Many large school districts support the use of GCCM and would like the number of projects that can be approved increased so that more schools can have this option if they need it. There is a definite need for approval of additional projects; last session when the number was increased by six, those six projects were immediately filled.

Testimony Against: Our opposition is not specific to school districts' use of the GCCM process but instead to the GCCM process as a whole. Expansion of this type of construction is not a good idea right now because the process has problems and is not working as it should. While we support the flexibility of the process, there must also be some accountability. In the past there was an oversight committee and that committee needs to be brought back. Additionally, use of the GCCM process is more effective for higher cost projects and should be limited to those projects. The job threshold should be set at \$20 million rather than the current \$10 million.

Testified: PRO: Senator Schmidt, prime sponsor; Charlie Brown, Edmond Lee, King Co. School Coalition; CON: Larry Stevens, MCA & NECA.