

HOUSE BILL REPORT

HB 3024

As Reported by House Committee On:
State Government Operations & Accountability

Title: An act relating to alternative public works contracting for school district capital demonstration projects.

Brief Description: Increasing the number of demonstration projects that may be authorized by the school district project review board.

Sponsors: Representatives Haigh, Cox, Ericks, Miloscia, Armstrong, McCoy, McDermott, Green, Morrell, Wallace, Nixon, Clements, Chase and Linville.

Brief History:

Committee Activity:

State Government Operations & Accountability: 1/31/06, 2/1/06 [DPS].

Brief Summary of Substitute Bill

- Increases school district demonstration projects using the general contractor/construction manager procedure from 16 to 23.
- Requires the School District Project Review Board to report to the Capital Projects Advisory Review Board reviewing the use of alternative public works contracting procedures by school districts.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

Staff: Marsha Reilly (786-7135).

Background:

Alternative forms of public works were first used on a very limited basis and then adopted in statute in 1994 for certain pilot projects. These alternative procedures include a design-build process and a general contractor/construction manager (GC/CM) process and may be used on projects costing in excess of \$10 million.

The design-build procedure is a multi-step competitive process to award a contract to a single firm that agrees to both design and build a public facility that meets specific criteria. The GC/CM method employs the services of a project management firm that bears significant responsibility and risk in the contracting process.

In 2000, the School District Project Review Board (Review Board) was established to review proposals and approve demonstration projects using the GC/CM procedure for four demonstration projects: two projects valued over \$10 million and two projects valued between \$5 and \$10 million. That number has since increased to 16 projects valued over \$10 million, and two projects valued between \$5 and \$10 million.

The authority to use alternative public works procedures expires July 1, 2007. In 2005, the Capital Projects Advisory Review Board (Advisory Board) was established to evaluate public capital projects construction processes and to advise the Legislature on policies related to alternative public works.

Summary of Substitute Bill:

The number of demonstration projects authorized by the Review Board and valued over \$10 million is increased from 16 to 23. The Review Board must prepare and issue a report reviewing the use of alternative public works contracting procedures by school districts to the Advisory Board before January 8, 2007.

Substitute Bill Compared to Original Bill:

The substitute bill requires the Review Board to prepare and issue a report reviewing the use of alternative public works contracting procedures by school districts to the Advisory Board.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (In support) The King County School Coalition supports the bill. There have been school districts that have been authorized to use GC/CM, but after consultation with a contractor have made a decision to use the traditional method. The districts have found that the GC/CM process is a very good tool for complex projects and some districts are repeat customers. The authorization has been used throughout the state and is not confined to a particular region. The seven additional projects has the unanimous approval of the Advisory Board. The large number of bond issues for school projects reflects the amount of construction that will be done in the near future.

(In support with amendment) The Associated General Contractors supports the bill and will support the amendment. The Review Board was a good idea. The review process is a good way to look at whether a project is a good candidate for using GC/CM.

Testimony Against: None.

Persons Testifying: (In support) Representative Haigh, prime sponsor; Charlie Brown, King/Pierce County School Coalition; and Dan Sexton, School District Project Review Board Member.

(In support with amendment) Duke Schaub, Associated General Contractors.

Persons Signed In To Testify But Not Testifying: None.