
**State Government & Tribal
Affairs Committee**

HB 2780

Brief Description: Regarding alternative public works contracting procedures.

Sponsors: Representatives Haigh, Kristiansen, Armstrong, Hunt, Conway, Liias, Takko, Ormsby, Haler and Kenney.

Brief Summary of Bill

- Allows for 10 demonstration projects using design-build for projects costing between \$2 and \$10 million.
- Allows for two demonstration projects using design-build with provisions for operations and maintenance for a period of longer than three years.
- Clarifies procedures for certifying public bodies.

Hearing Date: 2/1/08

Staff: Marsha Reilly (786-7135).

Background:

Alternative methods for constructing 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, a general contractor/construction manager (GCCM) process, and job order contracting. Originally, the use of these alternative methods were limited to a handful of public entities.

In 2005 the Capital Projects Advisory Review Board (Board) was established to monitor and evaluate the use of traditional and alternative public works contracting procedures and to evaluate potential future use of other alternative contracting procedures. In 2007 the Board presented recommendations for the expanded use of these procedures and processes for approval that the Legislature enacted into law. A project review committee (committee) was created to certify

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public bodies to use either design-build, GCCM, or both procedures, or to approve projects on a project-by-project basis. The use of the procedures is generally limited to projects with a total project cost of \$10 million or more. However, the GCCM process may be used on projects with a total project cost of less than \$10 million with the approval of the committee.

Summary of Bill:

The committee may authorize two design-build demonstration projects that include operations and maintenance services (DBOM) for a period of longer than three years. Under current law, the DBOM may be used but only for a period of three years.

The committee may approve up to 10 demonstration projects using the design-build process for projects with a total project cost between \$2 and \$10 million. Public bodies certified to use design-build must seek approval from the committee for these projects. The committee must report to the Board on recommendations for continued use of the design-build procedure for projects estimated under \$10 million.

Changes are made to clarify that public bodies seeking certification for the design build procedure must demonstrate successful management of at least one design-build project within the previous five years, and those seeking certification for the GCCM process must demonstrate successful management of at least one GCCM project within the previous five years.

Honorarium payments for design build projects are made to the finalists submitting responsive proposals rather than those submitting a "best and final" proposal.

The statute regarding negotiated adjustments to the lowest bid or proposal for design-build projects is repealed.

Appropriation: None.

Fiscal Note: Not requested.

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