

HOUSE BILL REPORT

HB 3047

As Reported by House Committee On:
State Government & Tribal Affairs
Capital Budget

Title: An act relating to the University of Washington's public works contracting procedures.

Brief Description: Concerning the University of Washington's public works contracting procedures.

Sponsors: Representatives White, Dunshee and Morrell.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 1/29/10 [DP];

Capital Budget: 2/3/10 [DPS].

Brief Summary of Substitute Bill

- Authorizes the University of Washington to establish a special public works roster process for awarding contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of university buildings and facilities in which critical patient care or highly specialized medical research is located.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 6 members: Representatives Hunt, Chair; Appleton, Vice Chair; Alexander, Flannigan, Hurst and Miloscia.

Minority Report: Do not pass. Signed by 2 members: Representatives Armstrong, Ranking Minority Member; Taylor.

Staff: Marsha Reilly (786-7135).

Background:

Competitive Bid Requirements.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

By law the University of Washington (UW) must competitively bid public works projects that are estimated to cost in excess of \$45,000 if the work involves one trade or craft area, or \$60,000 if multiple trades or craft areas are involved. Projects estimated under these dollar amounts may be contracted without a competitive bid or may be performed by employees. Generally, the procedures for competitive bid require that complete plans and specifications be drawn, the project be advertised, and sealed bids be submitted and opened in public.

Small Works Roster Process.

One method of competitive bidding that may be used for projects estimated at \$300,000 or less is the small works roster process. Under that procedure, a single roster of potential contractors may be created or different rosters for contractors of different specialties or categories of anticipated work. In addition, distinctions may be made between contractors based on geographic areas. The agency or local government may solicit bids from all appropriate contractors on the roster, but a minimum of five bids must be solicited. The contract, if awarded, is awarded to the lowest responsible bidder. An effort must be made to equitably distribute the opportunity among contractors on the appropriate roster if bids are solicited from less than all contractors on the roster.

Summary of Bill:

The UW is authorized to create a special public works roster process for awarding contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of university buildings and facilities in which critical patient care or highly specialized medical research is located. The process may be used when the estimated cost of the work is equal to or less than \$5 million. A single roster or several rosters for different trade specialties may be established.

To establish this process, the UW must publish notice in a newspaper of the existence of the roster or rosters and solicit a statement of qualifications from contractors who wish to be on a roster. Qualified contractors shall be added to a roster at any time they submit a written request, necessary records, and meet the qualifications established by the UW. The UW may require eligible contractors to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the UW as a condition of being placed on a roster.

At a minimum, the public solicitation of qualifications must include:

- a description of the types of projects to be completed;
- the reasons for using the roster process;
- a description of the required qualifications;
- a description of the evaluation process, including evaluation factors and the relative weight of factors;
- the form of the contract to be awarded; and
- a description of the appeal processes.

The UW shall make an effort to solicit proposals from certified minority or certified woman-owned contractors.

The UW must establish a committee to evaluate contractor qualifications. At a minimum, evaluation criteria shall include:

- the ability of a contractor's professional personnel;
- the contractor's past performance on similar projects;
- the contractor's ability to meet time and budget requirements;
- the contractor's ability to provide preconstruction services, as appropriate;
- the contractor's capacity to successfully complete the project;
- the contractor's approach to safety and the contractor's safety history; and
- the contractor's record of performance, integrity, judgment, and skills.

Any contractor meeting the evaluation committee's criteria for selection must be placed on the applicable roster or rosters.

The UW must establish a procedure for securing written quotations from contractors on the roster to assure a competitive price. Invitations for quotations must include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. Award of a project is made to the contractor who submits the low, responsive bid.

The UW must provide an annual report to the Capital Projects Advisory Review Board beginning September 2010. The report must include a list of rosters used, contracts awarded, and a description of outreach to and participation by women and minority-owned businesses.

The act contains a sunset clause and terminates June 30, 2015.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This bill streamlines an effort to save two to three months in the procurement process. The UW has a world-class medical center and engages in a tremendous amount of research. The bill will save time and money in the construction of projects that cost under \$5 million and will extend money further. The UW seeks to optimize the construction process. It will allow us to build faster and provide predictability for contractors. Extensive work has been done with the stakeholders in developing this process. The proposed process is modeled after the small works roster process. A proposal will be sent to those contractors on the roster, and the project will be awarded to the low bidder. The process is also modeled on bidder responsibility criteria. The UW anticipates several projects in the next year. If the bill is passed, it would save time by bidding all at once, rather than individually. The UW will work to increase participation by bidders.

(In support with amendment) Mechanical and electrical contractors support the bill, as it has supported design-build projects and small works roster projects. While these projects are large, it is limited to critical care. There are suggestions for amendments in three places.

(With concerns) There is a reason to have specialization for highly specialized work. At the same time, we are concerned that this process needs to be followed when building a roof, painting, or landscaping.

(Opposed) None.

Persons Testifying: (In support) Representative White, prime sponsor; and Margaret Shepherd and Olivia Yang, University of Washington.

(In support with amendment) Larry Stevens, Mechanical Contractors of Washington and National Electrical Contractors Associations.

(With concerns) Gary Smith, Independent Business Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Warnick, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Anderson, Blake, Chase, Hope, Jacks, Maxwell, McCune, Morrell, Orwall, Smith and White.

Staff: Steve Masse (786-7115).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On State Government & Tribal Affairs:

Several technical and clarification changes are made:

- authorizes use of the process only for buildings used directly for critical patient care and highly specialized space;
- clarifies that rosters be of prime contractors;
- clarifies that all contractors will have the opportunity to provide a quotation; and
- clarifies that the contract be awarded to the low responsive bidder submitting the lowest responsive bid.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The University of Washington Medical Center and Harborview Medical Center have critical medical care space that is unique and often occupied while improvements are being made. Buildings being used for medical purposes are highly regulated. The use of rosters for projects under \$5 million will save valuable time, allow the work to move directly from design to construction, and provides predictability.

(Opposed) None.

Persons Testifying: Margaret Shepherd, University of Washington Government Affairs; Olivia Yang, University of Washington Capital Projects Office; and Larry Stevens, National Electrical Contractors Association.

Persons Signed In To Testify But Not Testifying: None.