

HOUSE BILL REPORT

HB 2208

As Reported by House Committee On:
Capital Budget

Title: An act relating to heavy civil construction projects.

Brief Description: Concerning heavy civil construction projects.

Sponsors: Representatives Haigh and Buys.

Brief History:

Committee Activity:

Capital Budget: 1/21/14, 2/4/14 [DP].

Brief Summary of Bill

- Modifies the self performed work by General Contractor/Construction Managers for heavy civil construction work.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 13 members: Representatives Dunshee, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Appleton, Christian, Riccelli, Robinson, Scott, Senn, Smith, Stonier and Warnick.

Staff: Steve Masse (786-7115).

Background:

Capital Projects Advisory Review Board.

In 2005 the Capital Projects Advisory Review Board (CPARB) was established to monitor and evaluate the use of traditional and alternative public works contracting procedures and evaluate potential future use of other alternative contracting procedures. The CPARB also provides a forum in which best practices and concerns about alternative public works contracting can be discussed.

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.

The CPARB consists of 23 members, including four legislative members: two from the House of Representatives, appointed by the Speaker of the House, and two from the Senate, appointed by the President of the Senate.

Alternative Contracting Procedures.

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 included a Design Build process and a General Contractor/Construction Manager (GC/CM) process which may be used on projects costing in excess of \$10 million.

With some restrictions, the use of alternative public works contracting procedures are authorized to a limited number of public entities, including:

- the Department of General Administration;
- the University of Washington;
- Washington State University;
- cities with a population greater than 70,000 and any public authority chartered by such city;
- counties with a population greater than 450,000;
- public hospital districts with total revenues greater than \$15 million;
- port districts with total revenues greater than \$15 million per year;
- public utility districts with revenues from energy sales greater than \$23 million per year;
- school districts for GC/CM projects; and
- the state ferry system.

The authorization to use alternative public works procedures expires June 30, 2021.

General Contractor/Construction Manager.

The GC/CM method employs the services of a project management firm that bears significant responsibility and risk in the contracting process. The government agency contracts with an architectural and engineering firm to design the facility and, early in the project, also contracts with a GC/CM firm to assist in the design of the facility, manage the construction of the facility, act as the general contractor, and guarantee that the facility will be built within budget. When the plans and specifications for a project phase are complete, the GC/CM firm subcontracts with construction firms to construct that phase. Initial selection of GC/CM finalists is based on the qualifications and experience of the firm.

The GC/CM or its subsidiaries may bid or self perform on work, or for the supply of equipment or materials, under certain conditions but is limited to no more than 30 percent of the total construction contract.

Summary of Bill:

The percent that can be self performed by the GC/CM is increased from 30 percent to 50 percent for heavy civil construction projects.

Appropriation: None.

Fiscal Note: Available.

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 will enhance the ability of public bodies that use GC/CM contracting method to gain more efficiencies and get work done quicker.

(Opposed) None.

Persons Testifying: Representative Buys; John Bocknecht, Stacy and Witbeck, Inc; Bob Maruska, Linneth Riley-Hall, and Howard Hillinger, Capital Projects Advisory Review Board; Eric Johnson, Washington State Association of Counties; Andrew Thompson, Granite Construction; and Tina Scoccolo, Terra Dynamics.

Persons Signed In To Testify But Not Testifying: None.