

# HOUSE BILL REPORT

## HB 2555

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### As Passed Legislature

**Title:** An act relating to finalists for design-build contracts.

**Brief Description:** Concerning finalists for design-build contracts.

**Sponsors:** Representatives Dunshee and Tarleton.

#### **Brief History:**

##### **Committee Activity:**

Capital Budget: 1/30/14, 2/4/14 [DP].

##### **Floor Activity:**

Passed House: 2/18/14, 97-0.

Senate Amended.

Passed Senate: 2/26/14, 49-0.

House Concurred.

Passed House: 3/10/14, 96-0.

Passed Legislature.

#### **Brief Summary of Bill**

- Requires building performance goals and validation requirements in requests for proposals.
- Design Build proposals are exempt from disclosure until the highest scoring finalist has been selected, rather than when a contract agreement has been executed.

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### 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:**

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*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.*

### 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 to 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.

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.

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

### Design Build.

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. It may be used on projects valued over \$10 million and projects between \$2 million and \$10 million under certain conditions. Contracts for Design Build services are awarded through a competitive process using public solicitations of proposals. Finalists proposals are evaluated solely on factors identified in the request for proposals.

Public works contracts of a large dollar amount that meet certain criteria and have been approved by the CPARB may be awarded through alternative contracting procedures in which the selection of a contractor is based on factors other than low bid. Design-build is an alternative contracting method that melds design and construction activities into a single contract. General Contractor/Construction Manager (GCCM) is an alternative contracting method that utilizes the services of a project management firm which bears significant responsibility and risk in the contracting process. Under a job order contract, a contractor agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time.

Generally, all proceedings, records, contracts, and other public records relating to alternative public works transactions are public records and available for public inspection and copying. However, trade secrets or other proprietary information submitted by a bidder, offeror, or contractor are not subject to the Public Records Act if the bidder, offeror, or contractor specifically state in writing the reasons why protection is necessary and identifies the data or materials to be protected.

### **Summary of Bill:**

Building performance goals and validation requirements are required in the requests for proposals that the public body issues for Design Build services.

Design Build proposals are exempt from disclosure until the highest scoring finalist has been selected, rather than when a contract agreement has been executed.

**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) Building performance goals and validation requirements will improve the proposal process and the public will have better buildings as a result. This a recommendation from a CPARB study.

(Opposed) None.

**Persons Testifying:** Representative Dunshee, prime sponsor; and Bob Maruska, Capital Project Advisory Review Board.

**Persons Signed In To Testify But Not Testifying:** None.