
Higher Education Committee

HB 1693

Brief Description: Concerning the University of Washington's alternative process for awarding contracts.

Sponsors: Representatives Pollet and Tarleton.

Brief Summary of Bill

- Adjusts the \$5 million cap for using the alternative process for awarding medical construction contracts for inflation.
- Requires the University of Washington (UW) to review postselection processes to improve postselection startup of construction activities, prevent delays, and capture potential cost savings.
- Requires the UW to provide biennial training and support to help certified minority or certified woman-owned contractors (MWBE) qualify for subcontracting work, and report on outreach to and participation by MWBE.
- Requires the Joint Legislative Audit and Review Committee to conduct an evaluation of the alternative process, including any improvement to participation by MWBE, and any time and cost savings to the university by December 1, 2019, and every five years thereafter.
- Repeals provisions related to termination and repealing of the alternative process, and includes an emergency provision to make this effective immediately.

Hearing Date: 2/6/15

Staff: Megan Wargacki (786-7194).

Background:

The Legislature created an alternative process in 2010 that allows the University of Washington (UW) to pre-qualify contractors for certain critical patient care facility construction projects. These projects must cost \$5 million or less. The alternative process allows the UW to limit

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distribution of bid solicitations to contractors that have demonstrated their ability to complete complex projects in a patient care environment.

The Legislature enacted the alternative process with a June 30, 2015, termination date under the provisions of Washington's Sunset Law. The Sunset Law requires that the responsible organization develop performance measures and collect data to demonstrate how well the program is performing. In 2014 the Joint Legislative Audit and Review Committee (JLARC) conducted a performance audit to verify the program's performance in the year preceding the termination date and made recommendations on whether to continue the program. The JLARC recommended that the Legislature continue the alternative process because its use is reducing contracting time, and contractor quality ratings have improved. The report also included three recommendations for the UW, two to improve the timeliness of these projects at Harborview Medical Center and one to improve tracking the use of minority-owned and woman-owned subcontractors (MWBE).

Summary of Bill:

The \$5 million cap for using the alternative process for awarding medical construction contracts is adjusted for inflation from the 2015 fiscal year as determined by the Office of Financial Management in the capital budget cost estimating instructions.

The UW must review postselection processes with any entities for which it operates medical and hospital facilities subject to this law, in order to improve postselection startup of construction activities, prevent delays, and capture potential cost savings. The UW must provide at least biennial training and support to help certified MWBE qualify for subcontracting work on a roster project. The UW must report to the Capital Projects Advisory Review Board a description of outreach to MWBE, and a description of participation by MWBE as contractors or subcontractors in projects using the alternative process.

The JLARC must conduct an evaluation of the alternative process, including any improvement to participation by MWBE, and any time and cost savings to the university by December 1, 2019, and every five years thereafter.

Provisions related to termination and repealing of the alternative process for awarding medical construction contracts are repealed. An emergency provision is included to make the repealer section of the bill take effect June 29, 2015.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on June 29, 2015.