

HOUSE BILL REPORT

ESHB 1754

As Passed House:
March 5, 2015

Title: An act relating to adding building envelope to the list of building trades that a prime contractor must list for bids on public works.

Brief Description: Adding building envelope to the list of building trades that a prime contractor must list for bids on public works.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Buys, Dunshee, Muri, Haler, Senn, Ormsby, Sullivan and Smith).

Brief History:

Committee Activity:

Capital Budget: 2/6/15, 2/17/15 [DPS].

Floor Activity:

Passed House: 3/5/15, 98-0.

Brief Summary of Engrossed Substitute Bill

- Adds a requirement that the building envelope subcontractor be identified when the intent to award the contract is made for public works construction projects expected to cost over \$1 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Dunshee, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

Staff: Steve Masse (786-7115).

Background:

Most public works construction projects are procured using an architect selected by the public body. The architect develops the plans and specifications that contractors bid on. The

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.

low responsive bidder is awarded the contract to perform the work described in the plans and specifications. Contractors that provide the bid are referred to as the prime contractor and they may subcontract portions of the work to other specialized contractors. Current state law requires that for projects expected to cost over \$1 million the prime contractor identify subcontractors that will perform specialty work including mechanical and electrical systems.

Summary of Engrossed Substitute Bill:

The prime contractor must submit a list of the building envelope subcontractors to the public body when the intent to award the contract is made. An "envelope" is defined to be the elements of the building that separate the building's interior from the building's exterior. Furthermore, this conditioned space transfers heat, air, light, and sound.

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 requirement should attract more contractors, making the competitive process better.

(With concerns) Identifying the low responsive bidder may be more complicated and take more time if there are multiple building envelope subcontractors.

(Opposed) If the building envelope subcontractors are listed when the bid is opened, then the process will be slowed down. There are multiple building envelope subcontractors and the prime contractor may self perform some of that work. It will make the low responsive bidder identification process very complicated and may result in bid protests as well. This requirement will not result in better construction or better contractors.

Persons Testifying: (In support) Representative Dunshee; Tonia Mason, Masonry Institute of Washington; Michael Aoki-Kramer, RDH Building Engineering; and Blair Harter, Pacific Coast Building Production.

(With concerns) Bill Frare, Department of Enterprise Services.

(Opposed) Duke Schaub and Scott Isenhardt, Associated General Contractors; and Alan Nygaard, University of Washington Capital Project Office.

Persons Signed In To Testify But Not Testifying: None.