

# SENATE BILL REPORT

## ESB 6617

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As Passed Senate, February 16, 2016

**Title:** An act relating to the University of Washington's alternative process for awarding contracts.

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

**Sponsors:** Senator Frockt.

**Brief History:**

**Committee Activity:** Higher Education: 2/04/16 [DP-WM].

Ways & Means: 2/08/16, 2/09/16 [DP, DNP].

Passed Senate: 2/16/16, 49-0.

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Bailey, Chair; Baumgartner, Vice Chair; Frockt, Ranking Member; Becker, Carlyle, Lias and Miloscia.

**Staff:** Clint McCarthy (786-7319)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Darneille, Hewitt, Nelson, O'Ban, Padden, Parlette, Pedersen, Rolfes, Schoesler and Warnick.

**Minority Report:** Do not pass.

Signed by Senator Hasegawa.

**Staff:** Richard Ramsey (786-7412)

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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.*

**Background:** The University of Washington (UW) has an alternative 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. These procedures may be used when the cost of the work is equal to or less than \$5 million.

The UW is required to make an effort to solicit proposals from certified minority or certified woman-owned contractors to the extent permitted by the Washington Civil Rights Act. Since September 2010, the UW has been required to report annually to the capital projects advisory review board with a list of the rosters used, contracts awarded, and a description of outreach efforts to women and minority-owned businesses.

**Summary of Engrossed Bill:** The maximum amount under which the UW is authorized to use its alternative process for awarding contracts is adjusted to account for inflation from the 2015 fiscal year as determined by the Office of Financial Management in its capital budget instructions.

UW is directed to develop a program that provides training to certified minority or woman-owned contractors to help them qualify for subcontracting work.

UW shall review its post-selection processes with any entities for which it operates medical and hospital facilities in order to improve postselection startup of construction activities as a means to prevent delays and capture cost savings.

Annual reporting requirements on women and minority-owned business participation are revised to include a description of participating women and minority-owned businesses as contractors or subcontractors on projects using the alternative contracting process.

By December 1, 2019, and every five years thereafter, the Joint Legislative Audit and Review Committee shall conduct an evaluation of the alternative process, including any improvement to participation by women and minority owned businesses, and time and cost savings to the university.

The statutes that terminate the alternative process for awarding contracts at UW are extended through 2023.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony (Higher Education):** PRO: This bill allows UW to maintain a roster of subcontractors of women- and minority-owned businesses. The process has resulted in more timely construction of facilities.

OTHER: There are better, more effective ways of including women- and minority-owned businesses that do not require changes in statute.

**Persons Testifying (Higher Education):** PRO: Genesee Adkins, University of Washington.

OTHER: Dan Seydel, Entrepreneurial Institute of Washington.

**Persons Signed In To Testify But Not Testifying:** No one.

**Staff Summary of Public Testimony (Ways & Means):** PRO: This bill renews the alternative contracting process for medical facilities and is similar to a bill you heard last year SB 5141.

Critical care roster alternative project delivery method allows the UW to work with specific contractors and subcontractors to improve opportunities for women and minority-owned businesses. Work and outside the traditional design bid build selection process to work with alternative contractors.

The JLARC review in 2014 recommended continuance of this program.

UW reports data annually to Capital Projects Advisory Review Board (CPARB) and Office of Minority and Women's Business Enterprises (OMWBE).

**Persons Testifying (Ways & Means):** PRO: Genesee Adkins, University of Washington.

**Persons Signed In To Testify But Not Testifying:** No one.