

SENATE BILL REPORT

SB 5631

As Passed Senate, February 28, 2017

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: Senators Becker and Frockt.

Brief History:

Committee Activity: Higher Education: 2/07/17, 2/09/17 [DP, w/oRec].

Floor Activity:

Passed Senate: 2/28/17, 45-4.

Brief Summary of Bill

- Expands reporting requirements of contractors related to the use of Office of Minority and Women's Business Enterprises certified minority-owned, women-owned, veteran, and small business entities, and disadvantaged business enterprises.
- Removes the termination date of the University of Washington alternative contracting process.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Wilson, Chair; Bailey, Vice Chair; Palumbo, Ranking Minority Member; Frockt.

Minority Report: That it be referred without recommendation.

Signed by Senator Baumgartner.

Staff: Clint McCarthy (786-7319)

Background: The University of Washington (UW) has an alternative process for awarding contracts to construct projects in which critical patient care or highly specialized medical

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research is located. UW Medicine regularly renovates and upgrades its medical facilities and clinical spaces. Oftentimes these projects are highly technical and require specific certifications to ensure that UW Medicine facilities maintain the highest safety standards for patients and health care professionals. To ensure that these projects meet federal safety standards and can be executed in a timely and cost-effective manner, UW uses an alternative contracting process that produces a Critical Care Roster. The Critical Care Roster is a list of qualified firms that have proven expertise and capacity to perform this work to further UW Medicine's public health mission. As a public institution, UW is required to have this process regularly audited by the Joint Legislative Audit and Review Committee to ensure compliance with state contracting laws.

Summary of Bill: UW is directed to publish a notice of the existence of the critical patient care or specialized medical research facilities rosters for different trade specialties or categories of anticipated work with the Office of Minority and Women's Business Enterprises in addition to the requirement in statute to publish in a newspaper of general circulation. UW is directed to seek input from the women-owned and minority-owned business community on requirements for eligible contractors to be accepted and remain on the rosters. UW is required to have one representative from the minority-owned community and the women-owned business community on the committee that evaluates the contractors submitting qualifications. The evaluation criteria for selection of contractors to be included on the roster is expanded to include:

- the contractor's record of including the Office of Minority and Women's Business Enterprises certified minority, women, veteran, and small businesses; and
- the contractor's past history of use of small businesses, disadvantaged business enterprises, and minority women business enterprises over the last five years on projects of \$5 million or less.

The UW business diversity program is directed to establish aspirational goals based on the projected sub contracting opportunities. The UW report to the capital projects advisory review board is expanded to include use rates on projects of Office of Minority and Women's Business Enterprises certified small business entities, disadvantaged business enterprises, veterans, and women and minority owned businesses.

The termination date for the UW alternative award process of June 30, 2017, is removed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: This is the third year this bill has been worked on by a variety of stakeholders. JLARC recommends that this alternative contracting process continues. This process has allowed UW and Harborview Medical Center to use an expedited process to permit projects that start benefiting patients sooner. UW has done a good job of outreach. Often times, when hospitals are doing improvements, there are

patients nearby. UW needs expertise that knows how to work around patients while making capital improvements. UW has reached out to minority- and women-owned businesses to improve the process to reach out to new potential members of the critical care roster. Fourteen contractors are qualified for the roster as of last year. One of the benefits of the process is that a process that takes 60 days has been decreased down to 39 days. UW Medical Center, Harborview, and the UW clinic system will all benefit from this process.

Persons Testifying: PRO: Senator Randi Becker, Prime Sponsor; Joe Dacca, University of Washington; James Evans, Assistant Director Business Equity A&E Construction; Ian Goodhew, UW Medicine.

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