

# SENATE BILL REPORT

## SHB 2481

---

As of February 22, 2000

**Title:** An act relating to capital projects.

**Brief Description:** Requiring development of a predesign for all major capital projects.

**Sponsors:** House Committee on Capital Budget (originally sponsored by Representatives Koster, Edmonds, Esser, O'Brien, Schoesler, Barlean, Alexander, Dunn, Thomas and Ruderman).

**Brief History:**

**Committee Activity:** State & Local Government: 2/23/2000.

---

### SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

**Staff:** Roger Brodniak (786-7445)

**Background:** Major capital projects costing \$5 million or more are generally proposed in phases. In the first phase, state agencies request funds for a predesign study. The next phases include funding for the design and construction of the project.

The Joint Legislative Audit and Review Committee (JLARC) offers an economic model to quantify and compare all costs involved with state facilities. The JLARC model can predict the long-term cost differences between state ownership (or construction) and leasing of buildings.

The Department of General Administration currently uses this model to evaluate long-term lease requests that are greater than 10 years in duration and financial contracts to purchase a building.

Currently, the state has no formally adopted lease policies for quality of space, location of space, growth management issues, or coordination of budget practices.

**Summary of Bill:** A predesign review is required for all major capital projects in accordance with the predesign manual adopted by the Office of Financial Management.

In the predesign phase of major capital projects involving construction or acquisition of office or warehouse facilities, the Department of General Administration conducts a financial life-cycle cost analysis for the facility including an assessment of leasing comparable space. This model must be approved by JLARC.

The definition of a major capital project must be specified in the Governor's capital budget instructions to state agencies.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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