

SENATE BILL REPORT

SB 5768

As Reported By Senate Committee On:
Government Operations & Elections, February 28, 2005

Title: An act relating to alternative public works contracting procedures.

Brief Description: Regarding alternative public works contracting procedures.

Sponsors: Senators Kastama, Roach, Rockefeller, Esser, Prentice, Weinstein, Kline, Delvin and Rasmussen.

Brief History:

Committee Activity: Government Operations & Elections: 2/22/05, 2/28/05 [DPS].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 5768 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Roach, Ranking Minority Member; Benton, Fairley, Haugen, Kline, McCaslin, Mulliken and Pridemore.

Staff: Mac Nicholson (786-7445)

Background: Traditionally, public works projects have been carried out using the design/bid/build or "lump sum" method of contracting where the contract is awarded to the lowest responsible bidder. The Legislature has also authorized a limited number of state and local entities to use alternative public works contracting methods, including general contractor/construction manager (GC/CM) and the design-build procedure, in the construction of large public works projects as a means of addressing issues of design, schedule, or project complexity. Generally, public bodies authorized to use GC/CM are also authorized to use the design-build procedure except for school districts and certain public hospital districts.

Local public bodies authorized to use alternative public works procedures include cities with a population greater than 70,000 (Seattle, Spokane, Tacoma, Vancouver, Bellevue, Everett, Kent, Federal Way, Spokane Valley, Yakima, and Bellingham); counties with a population greater than 450,000 (King, Pierce, and Snohomish counties); and various port, public hospital, and public utility districts depending on total revenues of the district.

Summary of Substitute Bill: The population threshold above which a county can use alternative public works procedures is lowered to 350,000 (which would include Spokane and Clark counties). The group of public bodies authorized to use the alternative works procedures is expanded to include cities with a population less than 70,000 that report in the state auditor's local government financial reporting system combined general fund, special revenue, debt service, capital projects, and enterprise fund revenues that exceed sixty-million dollars (Tukwila, Walla Walla, Puyallup, Bremerton, Richland, Olympia, Auburn, Kirkland,

Redmond, Renton, and Kennewick). However, such cities can use the alternative public works procedures only if the city has projects in design and out for bid by January 1, 2007.

Substitute Bill Compared to Original Bill: The original bill did not amend the county population threshold. The substitute provides that the cities under 70,000 in population must have a project in design and out for bid by January 1, 2007 in order to use alternative public works procedures.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: The city of Bremerton would like the authorization to use the alternative public works process on a very complex construction project. The population threshold in existing law is not a magical threshold and cities and counties that don't meet that threshold but have a demonstrated ability to perform complex public works projects should be allowed to use the alternative public works process. The concern about expanding the alternative public works process is legitimate, however, adequate safeguards exist in current law.

Testimony Against: The traditional design-bid-build process has been used successfully for 80 years and has proved to be a transparent system where public owners get maximum value. JLARC is conducting a review of alternative public works, and the program should not be expanded until the study is completed.

Who Testified: PRO: Roger Lubovich, City of Bremerton; Doug Levy, Cities of Puyallup and Renton; Ashley Probart, Association of Washington Cities; Sharon Wylie, Clark County.

CON: Mel Sorensen, Contractors Bonding and Insurance Co; Larry Stevens, Mechanical and Electrical Contractors.