

SENATE BILL REPORT

HB 1768

As of March 21, 2013

Title: An act relating to use of the job order contracting procedure by the department of transportation.

Brief Description: Authorizing use of the job order contracting procedure by the department of transportation.

Sponsors: Representatives Moscoso, Liias, Ryu, Moeller, Johnson, Kochmar and McCoy; by request of Department of Transportation.

Brief History: Passed House: 3/08/13, 97-0.

Committee Activity: Transportation: 3/21/13.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Hayley Gamble (786-7452)

Background: Under a job order contract, a contractor agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time. A public entity may not have more than two job order contracts in effect at any one time, except for the Department of Enterprise Services (DES), which may have four contracts in effect at one time. The maximum total dollar amount awarded under a job order contract may not exceed \$4 million per year for a maximum of three years. Individual work orders are limited to no more than \$350,000. A job order contractor must subcontract 90 percent of the work under the contract and may self-perform 10 percent.

The direct use of job order contracting procedures are authorized to a limited number of public entities:

- DES;
- state universities, regional universities, and The Evergreen State College;
- Sound Transit;
- cities with a population greater than 70,000 and any public authority chartered by such city;
- counties with a population greater than 450,000;
- port districts with total revenues greater than \$15 million per year;
- public utility districts with revenues from energy sales greater than \$23 million per year;

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- school districts; and
- the state ferry system.

In 2005, the Capital Projects Advisory Review Board (Board) was established to monitor and evaluate the use of traditional and alternative public works contracting procedures and to evaluate potential future use of other alternative contracting procedures. At the end of each contract year, public entities must provide the Board with: a list of work orders issued; the cost of each work order; a list of subcontractors hired under each work order; and a copy of the intent to pay prevailing wage and the affidavit of wages paid for each work order subcontract, if requested.

The alternative public works contracting procedures under chapter 39.10 RCW are scheduled to be terminated June 30, 2013.

Summary of Bill: The Washington State Department of Transportation (WSDOT) is included in the list of entities that can use job order contracting for building improvement, renovation, and replacement projects only. WSDOT's ability to use this procedure is limited to the administration of building improvement, replacement, and renovation projects.

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: PRO: This bill benefits WSDOT by allowing WSDOT to administer fewer contracts and streamline the contracting process. The work WSDOT does is similar to the work those who currently use it do.

Persons Testifying: PRO: Chris Christopher, WSDOT.