

# HOUSE BILL REPORT

## SB 5146

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### As Reported by House Committee On: Capital Budget

**Title:** An act relating to job order contracts and procedure.

**Brief Description:** Allowing public transportation benefit area authorities to use job order contracts and procedure.

**Sponsors:** Senators Liias, King and Hobbs.

**Brief History:**

**Committee Activity:**

Capital Budget: 3/21/17, 3/30/17 [DP].

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Authorizes all public transportation benefit area authorities to use job order contracting.</li></ul>
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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 17 members: Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye, Koster, Kraft, MacEwen, Macri, Reeves, Riccelli, Ryu, Sells, Steele, Stonier and J. Walsh.

**Staff:** Steve Masse (786-7115).

**Background:**

Job Order Contracting.

In 2003 job order contracting was authorized in law as an alternative public works contracting procedure. 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 six contracts in effect. Generally, the maximum total dollar amount that is awarded under a job

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order contract may not exceed \$4 million per year for a maximum of three years. However, the DES, counties with a population of more than 1 million, and cities with a population of more than 4 million may award up to a maximum of \$6 million per year for a maximum of three years. Individual work orders are limited to no more than \$350,000. No more than two work orders of \$350,000 may be issued by a public body in a 12-month period. Job order contracts may be executed for an initial contract term of two years, with an option to extend or renew the contract for an additional year provided that any extension or renewal is priced as provided in the original proposal and is mutually agreed upon by the public body and the job order contractor. A job order contractor must subcontract 90 percent of the work under the contract, and may self-perform 10 percent.

Public Transportation Benefit Area Authority.

Public transportation benefit area authorities were created in 1975, and are special taxing districts created for funding public transportation. There are currently 31 systems that cover 23 counties and 132 cities. Most of the state's public transportation systems are operated by public transportation benefit area authorities. Public transportation benefit area authorities are governed by a board of directors of not more than nine elected officials.

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**Summary of Bill:**

Public transportation benefit area authorities are authorized to use job order contracting for performing public works contracts.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Public transportation benefit area authorities will get projects done faster and at less cost. Negotiating is not necessary, and it provides savings to taxpayers.

(Opposed) None.

**Persons Testifying:** Senator Liias, prime sponsor; and Geri Beardsley, Community Transit.

**Persons Signed In To Testify But Not Testifying:** None.