

**SENATE BILL REPORT**

**ESHB 1777**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 5, 1991**

**Brief Description:** Expediting new prison construction.

**SPONSORS:** House Committee on Human Services (originally sponsored by Representatives H. Sommers, Schmidt, Hargrove, Braddock, Leonard, Winsley, Fraser, Bowman, Zellinsky, Holland, Paris, Basich and May; by request of Department of Corrections).

**HOUSE COMMITTEE ON HUMAN SERVICES**

**HOUSE COMMITTEE ON CAPITAL FACILITIES & FINANCING**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, Metcalf, Murray, Newhouse, Owen, Rinehart, and Saling.

**Minority Report:** Do not pass.

Signed by Senators L. Kreidler, Talmadge, and Williams.

**Staff:** Cindi Holmstrom (786-7715)

**Hearing Dates:** April 4, 1991; April 5, 1991

**BACKGROUND:**

Existing public works laws require that construction design and specifications be completed before advertising and bidding for projects can begin.

In an effort to expedite the building of new prisons a more expedient method of designing and constructing prison facilities has been recommended.

**SUMMARY:**

The public works laws are temporarily amended to expedite the prison construction process to provide concurrent preparation of design plans, specifications and competitive bidding of construction contracts.

The Department of General Administration (GA) is authorized to select, through a competitive process, a general contractor/construction manager (GC/CM) firm to construct correctional facilities at a specified maximum cost.

This authorization is limited to: (1) capital projects funded for over \$10 million appropriated and authorized by the

Legislature for the Department of Corrections (DOC) in the 1989-1991 biennium; (2) additional correctional facilities that may be authorized by the Legislature during the biennium ending June 30, 1993; and (3) contracts signed before July 1, 1996.

GA is required to establish an independent oversight committee to review selection and contracting procedures. The committee will include representatives of interested groups, the Department of Corrections, and the private sector. GA is also required to establish an evaluation committee to evaluate proposals to provide GC/CM services. In selecting finalists to submit bids on a project, the committee must consider the following criteria: (1) ability of professional personnel; (2) past performance in negotiated and complex projects; (3) ability to meet time and budget requirements; (4) location; (5) recent, current and projected workloads of the firm; and (6) the concept of the proposal.

The Department of General Administration may negotiate a guaranteed maximum allowable construction cost with the general contractor/construction manager firm. Any cost increase above the guaranteed maximum allowable price will be incurred by the GC/CM unless the state has requested the change.

An incentive of up to 5 percent of the maximum allowable cost for the project, can be included in the contract with the general contractor/construction manager firm. All subcontract work is required to be competitively bid with public bid openings. The firm is required to provide a performance and payment bond.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

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

**TESTIMONY FOR:**

The bill offers potential savings in both time and cost for the construction of new prison facilities. This method of prison construction has been used successfully in the state of Oregon.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Senator Thorsness (pro); Grant Frederick, Department of General Administration (pro); John King, Department of Corrections (pro); Bill Hirsh, Oregon State Capital Administration (pro)