

# SENATE BILL REPORT

## SSB 5520

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As Passed Senate, March 16, 2003

**Title:** An act relating to authorizing the ferry system to use alternative public works contracting procedures.

**Brief Description:** Authorizing the ferry system to use alternative public works contracting procedures.

**Sponsors:** Senate Committee on Highways & Transportation (originally sponsored by Senators Haugen, Horn and Oke; by request of Department of Transportation).

**Brief History:**

**Committee Activity:** Highways & Transportation: 2/4/03, 2/12/03 [DPS].

Passed Senate: 3/16/03, 47-0.

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### SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5520 be substituted therefor, and the substitute bill do pass.

Signed by Senators Horn, Chair; Swecker, Vice Chair; Esser, Finkbeiner, Haugen, Jacobsen, Kastama, Mulliken, Oke, Prentice and Spanel.

**Staff:** Michael Groesch (786-7434)

**Background:** Several state agencies and local governments have been authorized to use alternative public works contracting procedures to award contracts on public works. One alternative procedure is the "design-build" procedure. Another alternative procedure is the "general contractor/construction manager" (GCCM) procedure. The design-build procedure is a multi-step competitive process to award a contract for a single firm to design and construct a public facility or portion of a public facility that meets certain criteria. The GCCM procedure is a multi-step competitive process to award a contract for a single firm to provide services during the design phase, as well as acting as both the construction manager and general contractor during the construction phase, for a public facility that meets certain criteria. The contractor guarantees the project budget, or maximum allowable construction cost.

The Department of Transportation has the authority to enter into design-build contracts for highway construction and ferry construction. This authority was provided in SHB 1680, Chapter 226, Laws 2001, and expires April 30, 2008. Chapter 39.10 RCW provides alternative public works contracting for general public works. The Department of General Administration, University of Washington, Washington State University, every county with a population greater than 450,000, every city with a population greater than 70,000, any public authority, chartered by a city, that has received specific authorization on a project-by-project basis from the governing body of the city and any port district with total revenues

greater than \$15 million per year may use the alternative public works contracting procedures.

Additional entities that may use alternative public works contracting include any public utility district with revenues from energy sales of greater than \$23 million per year and those school districts with projects approved by the school district project review board under RCW 39.10.115. Authority to use these alternative public works contracting procedures by these entities terminates on July 1, 2007.

**Summary of Bill:** The Department of Transportation State Ferry system is added to the definition of "public body" that enumerates the state and local entities that may engage in alternative public works contracting procedures under Chapter 39.10 RCW.

The State Ferry System is authorized to utilize design-build and GCCM contracting procedures on ferry terminal projects.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** GCCM is a good contracting procedure to use for complex projects and those projects that need to remain operational during renovation. GCCM promotes a team atmosphere and authorization should be provided as another option for project management. Concerns: Clarification should be added to distinguish between terminal and vessel projects.

**Testimony Against:** None.

**Testified:** PRO: Mike Thorne and Russ East, Washington State Ferry System; Tom Peterson, Hoffman Construction; John Plat, Martinac Shipbuilding.

**House Amendment(s):** The House amendment requires the state ferry system to complete a request for proposal process to identify and select possible public or private partnerships before using alternative public works contracting procedures.