

SENATE BILL REPORT

HB 2780

As Reported By Senate Committee On:
Government Operations & Elections, February 28, 2008

Title: An act relating to alternative public works.

Brief Description: Regarding alternative public works contracting procedures.

Sponsors: Representatives Haigh, Kristiansen, Armstrong, Hunt, Conway, Liias, Takko, Ormsby, Haler and Kenney.

Brief History: Passed House: 2/14/08, 93-0.

Committee Activity: Government Operations & Elections: 2/28/08 [DP, w/oRec]

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Kline, McDermott and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senators Roach, Ranking Minority Member; Benton.

Staff: Khalia Gibson (786-7460)

Background: Alternative forms of public works were adopted in statute in 1994 for certain pilot projects. Alternative procedures include a design-build process and a general contractor/construction manager (GC/CM) process and may be used on projects costing in excess of \$10 million.

The design-build procedure is a multi-step competitive process to award a contract to a single firm that agrees to both design and build a public facility that meets specific criteria. It may be used on projects valued over \$10 million where: the construction activities or technologies to be used are highly specialized and a design-build approach is critical in developing the construction methodology or implementing the proposed technology; the project design is repetitive in nature and is an incidental part of the installation or construction; or regular interaction with facilities users and operators during design is not critical to an effective facility design.

The contract is awarded following a public request of proposals for design-build services. Following extensive evaluation of the proposals, the contract is awarded to the firm that submits the best and final proposal with the lowest price.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The GC/CM method employs the services of a project management firm that bears significant responsibility and risk in the contracting process. The government agency contracts with an architectural and engineering firm to design the facility and also contracts with a GC/CM firm to assist in the design of the facility, manage the construction of the facility, act as a general contractor, and guarantee that the facility will be built within budget. When the plans and specifications for a project phase are complete, the GC/CM firm subcontracts with construction firms to construct the project. Initial selection of GC/CM finalists is based on the qualifications and experience of the firm.

A project review committee certifies public bodies to use either design-build, GC/CM, or both procedures, or to approve projects on a project by project basis. The GC/CM process may be used on projects with a total project cost of less than \$10 million with the approval of the committee.

Under current law, the design-build demonstration projects that include operations and maintenance services (DBOM) may only be used for three years.

Summary of Bill: The committee may authorize two DBOMs for a period of longer than three years.

The committee may approve up to ten demonstration projects using the design-build process for projects with a total project cost between \$2 and \$10 million. Public bodies must seek approval from the committee for these demonstration projects. The committee must report to the Capital Projects Advisory Review Board on recommendations for continued use of the design-build procedure for projects estimated under \$10 million.

Changes are made to clarify that public bodies seeking certification for the design-build project within the previous five years, and those seeking certification for the GC/CM process must demonstrate successful management of at least one GC/CM project within the previous five years.

Honorarium payments for design-build projects are made to the finalists submitting responsive proposals rather than those submitting a best and final proposal.

The statute regarding negotiated adjustments to the lowest bid or proposal for design-build projects is repealed.

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.

Staff Summary of Public Testimony: PRO: The Capital Projects Advisory Review Board (CPARB) members are for this bill. The bill clarifies and finishes unresolved issues. This is also the product of many CPARB expansion subcommittee meetings. Procurement processes will be made better by this bill.

Persons Testifying: PRO: Nancy Deakins, CPARB.