SUBSTITUTE SENATE BILL 5760

State of Washington 61st Legislature 2009 Regular Session

By Senate Ways & Means (originally sponsored by Senators Fraser, Brandland, Zarelli, Shin, Kilmer, and Kohl-Welles; by request of University of Washington and Washington State University)

READ FIRST TIME 02/25/09.

AN ACT Relating to the state universities' public works contracting procedures; adding a new section to chapter 28B.20 RCW; and adding a new section to chapter 28B.30 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 28B.20 RCW 6 to read as follows:

7 (1) The board of regents may enter into any number of contracts 8 with one or more persons, companies, or entities for the planning, 9 design, renovation, erection, remodeling, demolition, or construction 10 of university buildings and facilities, or improvements thereto, using a small works roster process for projects with an estimated cost of up 11 to one million dollars, and a design-build process, design-bid-build 12 13 process, or general contractor-construction manager process for projects with an estimated cost in excess of one million dollars. Such 14 contract or contracts shall be awarded after public notice and under 15 16 such requirements and procedures as shall be established by the board 17 of regents, to the person or persons able to perform on the most 18 advantageous terms. The requirements and procedures established by the board of regents may include but are not limited to: (a) Setting the 19

dollar amount for self performance of work by the general contractor; 1 2 (b) setting the schedule for establishing the maximum allowable construction cost; and (c) establishing the process for selection of 3 subcontractors. This authority shall apply only when the revenue 4 source for the cost of the planning, design, renovation, erection, 5 remodeling, demolition, or construction of the buildings 6 and 7 facilities, or improvements thereto, does not include state-8 appropriated funds. The board of regents does not have the power to 9 enter into any contract that binds the board of regents to pay out any sum of money in excess of the amount provided for said purpose. 10 The 11 requirements of chapters 39.08, 39.12, and 60.28 RCW apply to work 12 completed under this authority. If the board of regents chooses to 13 exercise the authority granted under this chapter, no other statutory 14 bidding or procurement requirements apply, including those in chapter 15 39.10 RCW and RCW 39.04.155.

(2) Whenever the revenue source for a public works project does not 16 include state-appropriated funds, the University of Washington may, 17 before asking for bids, require from any person, firm, company, or 18 19 corporation, interested in bidding, answers to questions contained in 20 a standard form of questionnaire, including a complete statement of the 21 financial ability and experience of the person, firm, company, or 22 corporation and that of any proposed subcontractor. The completed 23 questionnaire shall be sworn to before a notary public or other person 24 authorized to take acknowledgment of deeds, and shall be submitted at such time as the University of Washington may require. Whenever the 25 26 University of Washington is not satisfied with the sufficiency of the 27 answers contained in a completed questionnaire or whenever the 28 University of Washington determines that the person, firm, company, 29 corporation, or subcontractor does not meet all of the requirements in 30 this section, that person, firm, corporation, or subcontractor shall be disqualified from bidding. In order to be qualified to bid, a person, 31 firm, corporation, or subcontractor shall have: 32

33 (a) Adequate financial resources or the ability to secure such 34 resources;

35 (b) The necessary experience, organization, and technical 36 qualifications to perform the proposed contract;

37 (c) The ability to comply with the required performance schedule38 taking into consideration all of its existing business commitments;

(d) A satisfactory record of performance, integrity, judgment, and
skills; and

3 (e) Otherwise been qualified and eligible to receive an award under4 applicable laws and rules.

(3) The University of Washington may limit the total number of 5 persons, firms, corporations, or companies requested to 6 submit proposals or bids to a number that ensures that a sufficient number of 7 8 competitive proposals or bids are received without unnecessarily 9 creating marketing costs for otherwise qualified persons, firms, 10 corporations, or companies. The University of Washington, on a project-by-project basis, shall determine the approved proposer or 11 12 bidders list following the prequalification process.

13 (4) The University of Washington shall report on the status and 14 performance of nonappropriated capital projects greater than ten 15 million dollars in total project costs, as part of appropriated capital 16 project reporting required by the office of financial management.

17 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 28B.30 RCW
18 to read as follows:

(1) The board of regents may enter into any number of contracts 19 20 with one or more persons, companies, or entities for the planning, 21 design, renovation, erection, remodeling, demolition, or construction 22 of university buildings and facilities, or improvements thereto, using 23 a small works roster process for projects with an estimated cost of up to one million dollars, and a design-build process, design-bid-build 24 25 process, or general contractor-construction manager process for 26 projects with an estimated cost in excess of one million dollars. Such 27 contract or contracts shall be awarded after public notice and under such requirements and procedures as shall be established by the board 28 29 of regents, to the person or persons able to perform on the most advantageous terms. The requirements and procedures established by the 30 31 board of regents may include but are not limited to: (a) Setting the 32 dollar amount for self performance of work by the general contractor; (b) setting the schedule for establishing the maximum allowable 33 34 construction cost; and (c) establishing the process for selection of 35 subcontractors. This authority shall apply only when the revenue 36 source for the cost of the planning, design, renovation, erection, remodeling, demolition, or construction of the buildings 37 and

facilities, or improvements thereto, does not include state-1 2 appropriated funds. The board of regents does not have the power to enter into any contract that binds the board of regents to pay out any 3 4 sum of money in excess of the amount provided for said purpose. The requirements of chapters 39.08, 39.12, and 60.28 RCW apply to work 5 6 completed under this authority. If the board of regents chooses to exercise the authority granted under this chapter, no other statutory 7 8 bidding or procurement requirements apply, including those in chapter 9 39.10 RCW and RCW 39.04.155.

10 (2) Whenever the revenue source for a public works project does not include state-appropriated funds, Washington State University may, 11 12 before asking for bids, require from any person, firm, company, or 13 corporation, interested in bidding, answers to questions contained in a standard form of questionnaire, including a complete statement of the 14 financial ability and experience of the person, firm, company, or 15 corporation and that of any proposed subcontractor. The completed 16 questionnaire shall be sworn to before a notary public or other person 17 authorized to take acknowledgment of deeds, and shall be submitted at 18 19 such time as Washington State University may require. Whenever Washington State University is not satisfied with the sufficiency of 20 21 the answers contained in a completed questionnaire or whenever 22 Washington State University determines that the person, firm, company, 23 corporation, or subcontractor does not meet all of the requirements in 24 this section, that person, firm, corporation, or subcontractor shall be 25 disqualified from bidding. In order to be qualified to bid, a person, 26 firm, corporation, or subcontractor shall have:

(a) Adequate financial resources or the ability to secure suchresources;

29 (b) The necessary experience, organization, and technical 30 qualifications to perform the proposed contract;

31 (c) The ability to comply with the required performance schedule 32 taking into consideration all of its existing business commitments;

33 (d) A satisfactory record of performance, integrity, judgment, and 34 skills; and

35 (e) Otherwise been qualified and eligible to receive an award under 36 applicable laws and rules.

37 (3) Washington State University may limit the total number of38 persons, firms, corporations, or companies requested to submit

1 proposals or bids to a number that ensures that a sufficient number of 2 competitive proposals or bids are received without unnecessarily 3 creating marketing costs for otherwise qualified persons, firms, 4 corporations, or companies. Washington State University, on a project-5 by-project basis, shall determine the approved proposer or bidders list 6 following the prequalification process.

7 (4) Washington State University shall report on the status and 8 performance of nonappropriated projects greater than ten million 9 dollars in total project costs, as part of appropriated capital project 10 reporting required by the office of financial management.

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