

# HOUSE BILL REPORT

## HB 2772

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### As Passed Legislature

**Title:** An act relating to job order contracts by public hospital districts.

**Brief Description:** Concerning job order contracts by public hospital districts.

**Sponsors:** Representatives Johnson and Bergquist.

#### Brief History:

##### Committee Activity:

Capital Budget: 1/29/16, 2/2/16 [DP].

##### Floor Activity:

Passed House: 2/11/16, 97-0.

Passed Senate: 3/1/16, 47-0.

Passed Legislature.

#### Brief Summary of Bill

- Authorizes Public Hospital Districts to use the job order contracting procedure.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 9 members: Representatives Tharinger, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

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

#### Background:

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 which may have four contracts in effect. The maximum total dollar amount that is awarded under a job order

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contract may not exceed \$4 million per year for a maximum of three years, except for counties with a population of more than 1 million, which may award up to a maximum of \$6 million per year for a maximum of three years.

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.

Specified state and local government entities are authorized to use the job order contracting procedure. Public Hospital Districts are not authorized to use the job order contracting procedure.

**Summary of Bill:**

Public Hospital Districts with total revenues over \$15 million may use the job order contracting procedure.

The Department of Enterprise Services may issue job order contract work orders for any Public Hospital District.

**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) This bill will make small repairs and renovations more timely.

(Opposed) None.

**Persons Testifying:** Representative Johnson, prime sponsor; Ben Lindekugel, Association of Public Hospital Districts; Bob Maruska, Capital Projects Review Board; and Bill Frare, Washington Department of Enterprise Services.

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