
Transportation Committee

HB 1970

Brief Description: Concerning state highway construction project alternative contracting procedures.

Sponsors: Representatives Zahn and Donaghy.

Brief Summary of Bill

- Authorizes the Washington State Department of Transportation (WSDOT) to use alternative public works contracting procedures, as defined in public works statutes, including design-build, progressive design-build, or general contracting/construction manager (GC/CM) processes.
- Includes progressive design-build and GC/CM procedures in the WSDOT processes for awarding competitively bid highway construction contracts using alternative public works contracting procedures.
- Excludes the WSDOT from seeking Capital Projects Advisory Review Board (Board) certification requirements to use the design-build or GC/CM contracting procedure on individual projects.
- Allows for the WSDOT to no longer be subjected to Board approval requirements for GC/CM projects after delivering three GC/CM projects approved by the Board.

Hearing Date: 2/24/25

Staff: Christine Thomas (786-7142).

Background:

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

Traditional Public Works Contracting.

Public work means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality. Once a public body secures design of a public works project, either through in-house engineering or hiring a consultant, a competitive bidding process is required for most of those projects. State law generally requires agencies to award public works contracts to a responsible bidder with the lowest responsive bid. Contractors that provide the bid are referred to as the prime contractor and this process of awarding public works contracts is often referred to as the design-bid-build process.

Alternative Public Works Contracting Procedures.

Alternative public works contracting procedures include: (1) the design-build procedure; and (2) general contracting/construction manager (GC/CM) contracting procedure, and (3) job order contracting. The design-build procedure means a contract between a public body and another party in which the party agrees to both design and build the facility. A GC/CM is a firm with which a public body has selected to provide services during the design phase and negotiated a maximum allowable construction cost to act as the GC/CM during the construction phase.

Capital Projects Advisory Review Board.

The Capital Projects Advisory Review Board (Board) was created by the Legislature in 2005 to review alternative public works contracting procedures and provide guidance to state policymakers on ways to further enhance the quality, efficiency, and accountability of public works contracting methods. In addition to evaluating public works contracting procedures, the Board appoints members to the Project Review Committee (PRC) to certify public bodies to use either design-build, GC/CM, or both procedures and to approve the use of design-build or GC/CM procedures on a project-by-project basis.

When certified by the Board through the PRC, public bodies may use the design-build procedure, including progressive design-build, for public works projects in which the total project cost is over \$2 million and where the construction activities are highly specialized and a design-build approach is critical in developing the construction methodology, or greater innovation, efficiencies, or savings would be realized. The WSDOT is encouraged to use the design-build procedures when these conditions are met.

When certified by the Board through the PRC, public bodies may use the GC/CM procedure for public works projects where the involvement of the GC/CM during the design stage is critical to the success of the project. Other conditions where a GC/CM is allowed include a project involving complex scheduling, phasing, or coordination or the project is, and the public body elects to procure the project as, a heavy civil construction project.

Summary of Bill:

The WSDOT is not subject to the certification requirements in the Board's provisions to use the design-build or GC/CM contracting procedures on individual projects. In addition to the authority the WSDOT has to use the design-build procedure, the WSDOT is also authorized to

use the progressive design-build and GC/CM contracting procedures as defined in the Board's provisions. The WSDOT must develop processes for awarding competitively bid highway construction projects for the three authorized alternative public works contracting procedures. For the first three GC/CM projects that the WSDOT delivers after July 1, 2025, the WSDOT must pursue approval of the projects to use the GC/CM contracting procedure. After three such approvals have been granted, the WSDOT is not subject to the Board's approval requirements.

Appropriation: None.

Fiscal Note: Available.

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