

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 1
Yeas:	Doherty, Johnson, Keny-Guyer, Lively, Richardson, Thatcher, Vega Pederson, Holvey
Nays:	0
Exc.:	Smith
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	5/9, 5/30

WHAT THE MEASURE DOES: Requires construction manager/general contractor (CM/GC) services be procured in accordance with model rules adopted by Attorney General. Requires Attorney General to consult with certain public entities and construction industry professionals in developing model rules. Requires contract for CM/GC services to include certain information. Specifies additional considerations upon which Director of Department of Administrative Services, Director of Transportation, or local contract review board shall make findings before approving exemption from competitive bidding requirement for public improvement project or class of projects. Makes provisions operative July 1, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Process for receiving exemption from competitive bidding requirements
- Interim workgroup that discussed concerns about CM/GC procurements
- Use of Attorney General’s model rules for procurements as tool for creating consistency
- Potential impact on Minority, Women and Emerging Small Business sub-contractors

EFFECT OF COMMITTEE AMENDMENT: Deletes certain information from proposed list of information required to be included in contract for construction. Modifies list of entities with which Attorney General shall consult in adopting or amending model rules. Defines “affiliate.” Clarifies exemptions from competitive bidding process. Requires written agreement to material changes in scope of work.

BACKGROUND: The construction manager/general contractor” (CM/GC) method of public contracting is an alternative to the low-bid contracting process typically used in public construction projects. The low-bid method, also known as “design-bid-build,” involves the owner hiring an architect to fully design a project down to detailed plans and technical specifications. These plans are prepared for the owner to use. The owner then prepares an invitation to bid on the project, which includes these specifications, then selects the lowest responsive bid to complete the project under the supervision of the architect. In comparison, the CM/GC method involves an earlier collaboration between the owner, architect and construction contractor, the latter of which is hired before the design process is complete and functions as a member of the project team. Used since the early 1980s, the CM/GC process has become more prevalent in recent years, particularly for large value projects, those with complex or occupied structures, or structures with historical value.

A workgroup was convened during the 2011-2012 legislative interim to review current practices in CM/GC contracting and what, if any, adjustments to statutory requirements should be made in response. The workgroup created a list of specific issues and consensus responses, which formed the basis for SB 254.

Senate Bill 254 B establishes specific requirements for procurement of CM/GC services by contracting agencies. The measure requires agencies to comply with the Attorney General’s model rules on procurement of CM/GC services and requires additional findings by a designated authority before projects can be exempt from competitive bidding requirements.

6/3/2013 11:22:00 AM

This summary has not been adopted or officially endorsed by action of the committee.