

# Capital Projects Advisory Review Board

## Strategic Plan

January 31, 2006

### MISSION

The 2005 Legislature created the Capital Projects Advisory Review Board (Board) under Engrossed Substitute House Bill 1830 (RCW 39.10.800 and 39.10.810) 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. Specifically to:

- Develop and recommend to the legislature criteria that may be used to determine effective and feasible use of alternative contracting procedures;
- Develop and recommend to the legislature qualification standards for general contractors bidding on alternative public works projects;
- Develop and recommend to the legislature policies to further enhance the quality, efficiency, and accountability of capital construction projects through the use of traditional and alternative delivery methods within Washington State, and make recommendations regarding expansion, continuation, elimination, or modification of the alternative public works contracting methods; and
- Evaluate the potential future use of other alternative contracting procedures including competitive negotiation contracts.

The Board will use the mission and statute to guide its activities, discussions, and results, as well as its recommendations to the legislature.

### EXECUTIVE SUMMARY

The focus of the Board's strategic plan is to prepare timely advice and recommendations on capital construction projects and methods to the legislature in support of upcoming legislative sessions. The Board plans to look first at "alternative public works" issues. We divided these issues into two general categories:

- Reauthorization of existing statute RCW 39.10 beyond the July 1, 2007 sunset
- Expansion of RCW 39.10 to include new users, expanded limits, and new methods

RCW 39.10, Alternative Public Works Contracting Procedures, authorizes three alternative methods for use on public works projects: General Contractor/Construction Manager (GC/CM), Design-Build, and Job Order Contracting (JOC).

Staff work will be done using four subcommittees. Two subcommittees will address reauthorization and expansion issues on the alternative public works issues, one subcommittee will recommend a system to collect and analyze project data to support the Board, and the last subcommittee will address industry-wide issues, including traditional and alternative public works. Specific recommendations on the Alternative Public Works Statute will be developed by August 2006 to support the 2007 Legislative Session.

Board members have raised concerns regarding the existing RCW 39.10 and have also suggested a number of ideas for expansion of alternative public works. We plan to address all concerns and suggestions to present a practical and balanced approach toward alternative public works to the Legislature.

In support of the 2006 Legislative Session, the Board is reviewing a suggestion to authorize additional GC/CM projects for K-12 school districts. We plan to hold monthly Board Meetings and will address new public works issues as they are in line with this Strategic Plan.

Finally, the Board will continue to involve its many stakeholders in its activities. All Board and Subcommittee Meetings are open to the public, and information is shared on the Board's website: [www.ga.wa.gov/cparb](http://www.ga.wa.gov/cparb). Subcommittee members are identified and approved by the Board, others are encouraged to participate.

## **MEMBERSHIP**

The Board's membership is broadly based and reflects the interests of: design and construction industries, labor, minority and women businesses, higher education, the Department of General Administration, sureties, public hospital districts, school districts, cities, counties, ports, and the Legislature. Members sit as individuals; they are, however, expected to seek out the opinions of their representative groups.

### **Member**

Daniel Absher  
Gerald "Butch" Reifert  
Rocky Sharp  
Ed Kommers  
David D. Johnson  
Carolyn Crowson  
Olivia Yang  
John Lynch (Chair)  
Larry Byers  
Gary Ballew  
Rodney Eng  
Michael Mequet  
Wendy Keller  
Dan Vaught  
Rep. Kathy Haigh (Vice Chair)  
*Appointment Pending*  
Sen. Phil Rockefeller  
Sen. Dave Schmidt

### **Representing**

General Contractor  
Design Industry  
Specialty Contractor  
Specialty Contractor  
Construction Trades Labor  
OMWBE  
Higher Education  
General Administration  
Insurance/Surety Industry  
Cities/Counties/Ports (2 of 3)  
Cities/Counties/Ports (2 of 3)  
Cities/Counties/Ports (2 of 3)  
Public Hospital Project Review Board  
School District Project Review Board  
House of Representatives (D)  
House of Representatives (R)  
Senate (D)  
Senate (R)

## **SUBCOMMITTEES**

### **Reauthorization of Alternative Public Works (Reauthorization) Subcommittee**

This Subcommittee was formed to evaluate issues around the sunset of RCW 39.10, Alternative Public Works Contracting Procedures, and to recommend to the Board changes to present to the legislature. The Subcommittee represents a cross section of the design and construction industry and includes a number of public sector owners. See Appendix 1 for a list of Subcommittee Members.

The goal of the Subcommittee is to address all issues that could be obstacles preventing support of alternative public works within Washington State. This Subcommittee is working on draft legislation that would modify RCW 39.10 and would reauthorize Alternative Public Works Contracting Methods.

### **Addressing Barriers to Reauthorization**

Four task forces were organized to address a prioritized list of barriers by June 2006:

1. Owner and Project Eligibility
  - Clarify definition of eligible owner and project
  - A/E part of the GC/CM selection team
  - Centralized approval of eligible projects and owners
  - Mandatory training for public agencies – widen eligibility of owners and number of projects (Expansion Subcommittee)
  - JOC – Expand number of contracts, increase dollar amount of individual work orders
2. Issues around the Maximum Allowable Construction Cost (MACC)
  - When to set the MACC
  - Use of Contingencies
  - Changing Market Conditions during life of project
3. Contractor Issues
  - Change Order Administration – response times, mark ups
  - General conditions
  - Terms and conditions
4. Qualification Issues
  - Contractor Eligibility
  - RFP criteria

### **Expansion Subcommittee**

This Subcommittee was formed to address the potential expansion of alternative public works. Expansion issues to be addressed include: expanding authorized users of alternative public works, expanding the authorized size and project type, and defining new alternative contracting methods not currently included in RCW 39.10.

The Subcommittee is represented by a cross section of the design and construction industry and includes a number of public sector owners. See Appendix 1.

This Subcommittee plans to initially make recommendations to the Board regarding expansion issues that should be addressed in the proposed revisions to RCW 39.10. Additional expansion issues that require more research, data collection, and stakeholder work will be addressed in the future.

The first expansion issue to be addressed is the question of providing additional GC/CM projects for K-12 schools. This is expected to be an issue during the 2006 Legislative Session.

### **Data Collection Subcommittee**

This Subcommittee will recommend a system for collecting consistent project performance data as recommended by the Joint Legislative Audit Review Committee Report on the Assessment of General Contractor/Construction Manager (GC/CM) Procedures, June 2005. Performance measures will include schedule performance, cost performance, contract changes, contractor selection, subcontractor selection, certified/formal claims and value performance. A system for collection of this data state-wide will also be recommended. See Appendix 1 for a list of Subcommittee Members.

#### **Industry-wide Issues Subcommittee**

This subcommittee does not have members assigned to it yet, pending substantial work to be done on the first three subcommittees. The Board has identified there is a need to address issues that affect public works contracting regardless of whether traditional or alternative contracting methods are used. Issues will be further identified, prioritized, and addressed.

#### **CONCLUSION**

The Capital Projects Advisory Review Board has set a course for improving public works contracting in the state of Washington. With this strategic plan, it will stay focused in its approach to evaluating issues to be able to advise and make recommendations to legislature. Through its use of subcommittee work, stakeholder involvement, and its robust discussions, the legislature can have confidence that the Board's recommendations are sound improvements for the public works construction industry.

## **Appendix 1 – Subcommittee Members**

### **Reauthorization Subcommittee Members**

Rodney Eng (Lead)	City of Seattle
Dan Absher	Absher Construction
Butch Reifert	Design Industry
Rocky Sharp	Electrical Contractor
Ed Kommers	Mechanical Contractors
Dave Johnson	Washington State Building & Construction Trades Council
John Palewicz	University of Washington, Capital Projects
John Lynch	General Administration
Wendy Keller	Public Hospital Project Review Board
Tom Peterson	Hoffman Construction
Ashley Probart	Association of Washington Cities
Dick Lutz	Centennial Contractors, Inc.
Larry Stevens	NECA/MCA
Stan Bowman	AIA Washington Council
Paul Berry	Former City of Seattle Employee
Steve Goldblatt	University of Washington
Duke Schaub	Associated General Contractors

### **Expansion Subcommittee Members**

Olivia Yang (Lead)	University of Washington, Capital Projects
Butch Reifert	Design Industry
Ed Kommers	Mechanical Contractors
Dave Johnson	Washington State Building & Construction Trades Council
John Lynch	General Administration
Gary Ballew	Benton County
Rodney Eng	City of Seattle
Michael Mequet	Port of Seattle
Nora Huey	King County
Tom Peterson	Hoffman Construction
Rick Slunaker	Association of General Contractors
Ashley Probart	Association of Washington Cities
Dick Lutz	Centennial Contractors
Larry Stevens	NECA/MCA
Larry Byers	Insurance/Sureties Industry

### **Data Collection Subcommittee Members**

Darlene Septelka (Lead)	King County (formerly with Washington State University)
Paul Szumlanski	Department of General Administration
Carolyn Crowson	OMWBE
Michael Transue	Association of General Contractors
Alan Nygaard	University of Washington
Steve Goldblatt	University of Washington
Teresa Rodriguez	City of Seattle
Steve Masse	Washington State Office of Financial Management (OFM)
Rep. Kathy Haigh	State Representative – District 35
Ed Kommers	Specialty Contractor