

**ALTERNATIVE
PROCESS FOR UW
MEDICAL FACILITY
CONSTRUCTION
PROJECTS:
SUNSET REVIEW**

SCOPE AND OBJECTIVES

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STATE OF WASHINGTON



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**UW Authorized to Use Alternative Process for
Certain Medical Facility Construction Projects
Through June 2015**

The 2010 Legislature authorized the University of Washington (UW) to use an alternative process for awarding contracts to construct, remodel, or improve facilities used for critical patient care or highly specialized medical research (SSB 6355, Section 11). Unlike the standard contracting process which allows any contractor to bid on construction projects, the alternative process allows the university to limit solicitations for critical patient care and medical research facilities to contractors with demonstrated experience working in these highly specialized environments.

The UW may only use the alternative process:

- When a project involves construction, renovation, remodeling, or alteration of improvements within a UW building that is used directly for critical patient care or highly specialized medical research; and
- When the estimated cost of the project is equal to or less than \$5 million.

The UW's authority to use this alternative process is scheduled to sunset on June 30, 2015 unless reauthorized by the Legislature. This alternative procedure is in addition to other alternative procedures (design-build, general contractor/construction manager, and job order contracting) specified in RCW 39.10.

Statute Guides Creation of Roster of Pre-Qualified Contractors

Statute specifies the steps the UW must take to create a roster of contractors for critical patient care or specialized medical research facilities, or multiple rosters for different trade specialties or categories of work. Statute also identifies a set of criteria for a UW evaluation committee to include when assessing a contractor for inclusion on a roster.

The 2010 legislation further directs the UW to establish a procedure for obtaining bids from all contractors on a roster when the UW chooses to use the alternative process for a project. The UW must award the project to the responsible bidder submitting the lowest responsive bid.

Testimony Focused on Contracting Speed and Contractor Quality

During legislative hearings, UW representatives stated that the legislation's purpose was to speed the selection of qualified contractors for critical patient care and specialized medical research construction projects. They emphasized that the challenges of working in an occupied hospital facility and the complexity of medical and research facilities require specific expertise and experience. The representatives said that the pre-qualification process would

allow the university to evaluate contractor qualifications prior to soliciting bids. The representatives stated that this would not only speed contractor selection but would also provide contractors with assurance that they met the qualifications for the project before submitting a bid.

What Is a Sunset Review?

The Washington Sunset Act (Chapter 43.131 RCW) establishes the process for conducting sunset reviews. When a program is subject to sunset, the program terminates unless the Legislature reauthorizes the program. In the year prior to the termination date, the Joint Legislative Audit and Review Committee (JLARC) staff review the extent to which the program has complied with legislative intent and whether the program has met its performance targets.

The Legislature included a June 30, 2015, sunset date for UW's alternative process for constructing critical patient care and highly specialized medical research facilities. JLARC staff will complete a sunset review of the UW's use of this alternative process prior to the 2015 Legislative Session.

Sunset Review Objectives

Statute specifies the objectives for a sunset review, which include addressing the following questions:

1. To what extent has the University of Washington's use of the alternative process complied with legislative intent?
2. To what extent does the alternative process provide for efficient and economical public works construction, with adequate cost controls in place?
3. To what extent have projects constructed using the alternative process achieved expected performance goals and targets?
4. To what extent does the alternative process duplicate the activities of another agency or the private sector?

The review will include a recommendation of whether to terminate, modify, or continue without modification the UW's alternative process for awarding contracts for critical patient care or highly specialized medical research.

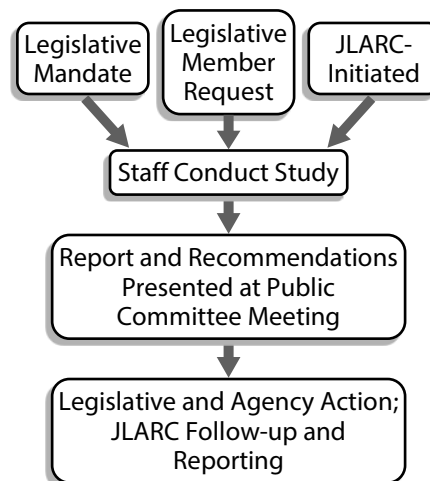
Timeframe for the Study

Staff will present the preliminary report in September 2014 and a proposed final report in December 2014.

JLARC Staff Contact for the Study

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JLARC Study Process



Criteria for Establishing JLARC Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources? For example:
 - Is JLARC the most appropriate agency to perform the work?
 - Would the study be nonduplicating?
 - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?