

The Legislature Should Reauthorize the UW Medical Construction Contractor Alternative Process Because Timeliness and Quality Have Improved

Sunset Review Proposed Final Report

Mark Fleming, JLARC Staff

Joint Legislative Audit & Review Committee

December 10, 2014



UW May Use Alternative Process for Certain Medical Facility Construction Projects

- Critical patient care or highly specialized medical research projects:
 - ◆ Where estimated cost is \$5 million or less
- Used for projects at UW Medical Center and Harborview Medical Center
- Alternative to traditional public works procurement where competition is open to all contractors

How the Alternative Process Varies from the Standard Contracting Process

Standard

Request bids
from all
interested
contractors →

Select contractor:
• qualifications
• proposal
• price →

Obtain approval
for project
contract →

Issue notice to proceed

Alternative

Create roster
of pre-qualified
contractors

Request bids
from
pre-qualified
contractors →

Select contractor:
• proposal
• price →

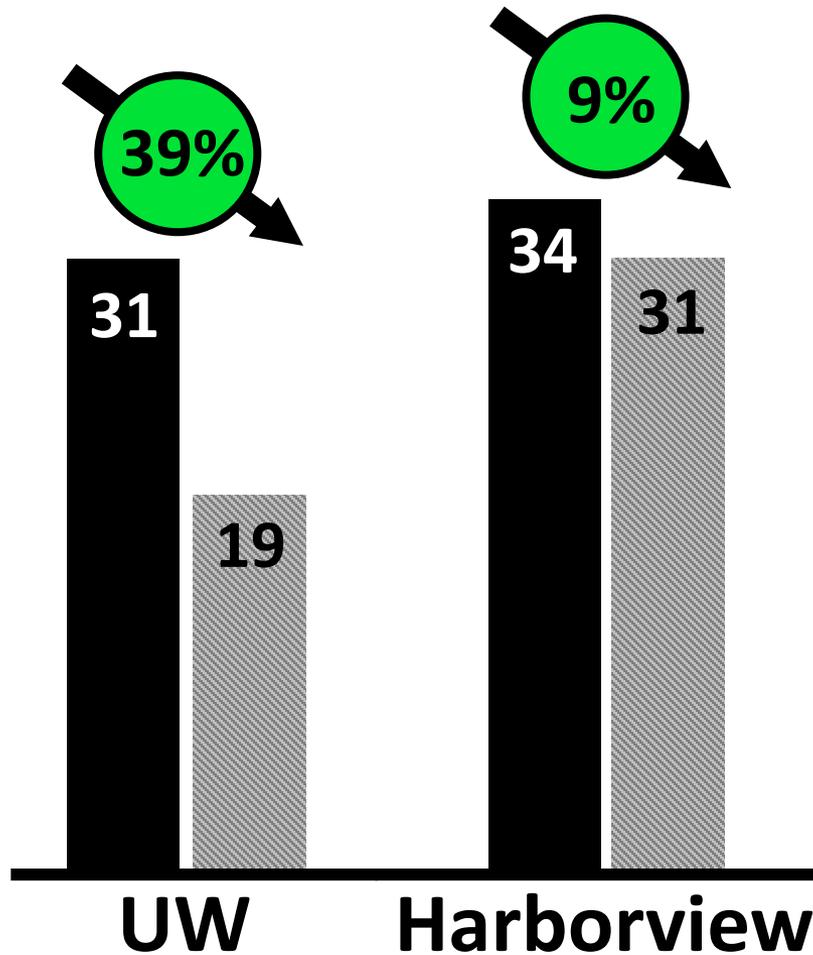
Final two steps of UW's process are identical to a standard construction process

Source: RCW 28B.20.744(2) and (6) and JLARC staff analysis of UW contracting procedures.

Intent Was to Speed Contractor Selection

- Limits solicitations to contractors who can demonstrate qualification and experience working in patient care settings
- Enacted in 2010
- Authority to use process terminates June 30, 2015
 - ◆ Unless reauthorized by Legislature prior to termination date

Reduced Time to Select Project Contractors



Source: JLARC staff analysis of UW critical patient care facility contracts for projects \$5 million or less.



Average number of days

- Before using alternative process
- ▨ Since using alternative process

UW Ratings of Contractor Performance Have Improved

**Before using
alternative
process**

**62%
superior
or good**

6% superior

56% good

32% satisfactory or standard

6% deficient

16 projects

**Since using
alternative
process**

**95%
superior
or good**

58% superior

37% good

5% satisfactory or standard

0% deficient

19 projects

Source: JLARC staff analysis of UW critical patient care facility contracts for projects \$5 million or less.

UW Complies with Procedural Requirements of Law

Soliciting Contractor Qualifications	Notices published in newspaper of general circulation	<input checked="" type="checkbox"/>
	Solicitation content consistent with statutory requirements	<input checked="" type="checkbox"/>
	Evaluation factors comply with statutory requirement	<input checked="" type="checkbox"/>
	Appeal process established	<input checked="" type="checkbox"/>
Project Contractor Solicitation/ Request for Bids	Request sent to all contractors on roster	<input checked="" type="checkbox"/>
	Request content complies with statutory requirements	<input checked="" type="checkbox"/>
	Request includes minority outreach requirements	<input checked="" type="checkbox"/>
Project Award	Contract awarded to lowest responsible responsive bidder	<input checked="" type="checkbox"/>

Source: JLARC staff analysis of selected contract files.

UW Can Improve Tracking of Woman- and Minority-owned Subcontractors

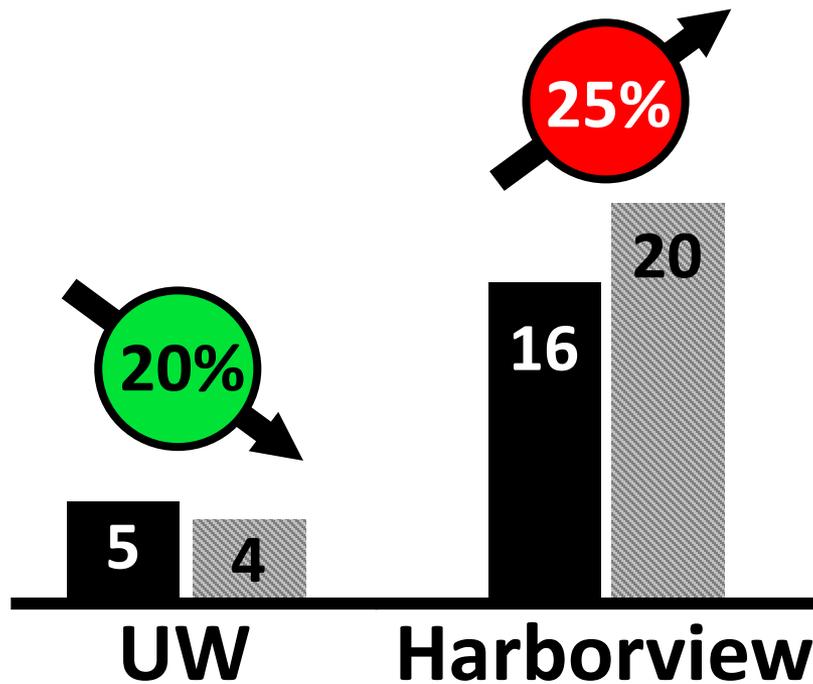
- Statute requires UW to make outreach to certified MWBE contractors to extent permitted by Washington's civil rights act
 - ◆ UW has made outreach efforts to minority contractors but none have submitted qualifications for review
- Prime contractors are encouraged to use woman and minority subcontractors
 - ◆ UW does not track subcontractor use

Increased Time for Harborview Approval

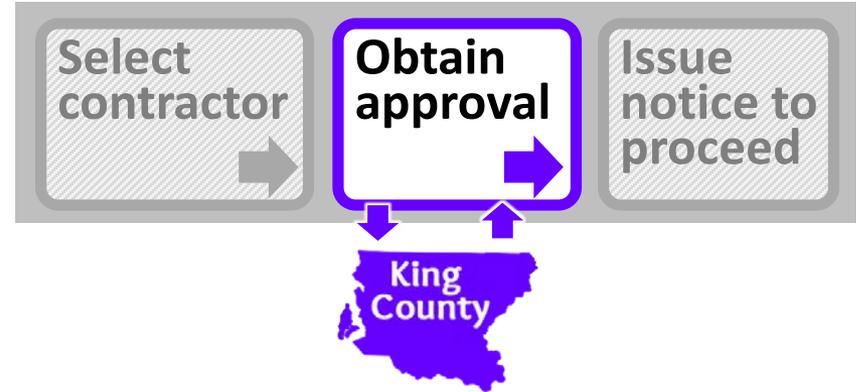
Average number of days

■ Before July 2010

▨ Since July 2010



Source: JLARC staff analysis of UW critical patient care facility contracts for projects \$5 million or less.



Harborview contracts must be approved by King County before UW approval

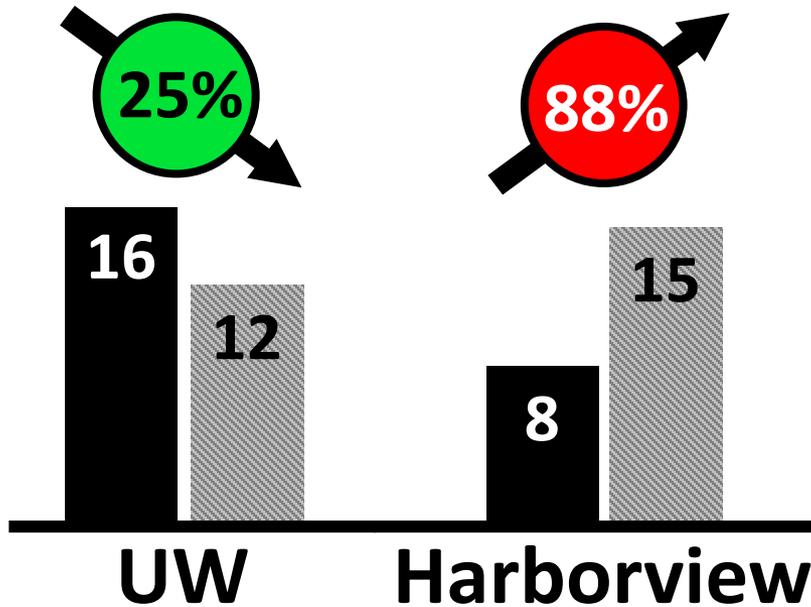
Some of that time due to UW delay in sending contract to King County

Average Days to Begin Construction for Harborview Projects Has Increased

Average number of days

■ Before July 2010

▨ Since July 2010



Source: JLARC staff analysis of UW critical patient care facility contracts for projects \$5 million or less.



Notice to proceed allows contractor to begin work

Recommendations & Responses

1 The Legislature should:

reauthorize the UW alternative public works process, RCW 28B.20.744

UW concurs

2 UW should:

identify opportunities to reduce the time to select contractors for Harborview projects and report results to Legislature and Capital Projects Advisory Review Board

UW concurs

Recommendations & Responses (continued)

3 UW should:

develop a process to track payments made to woman and minority owned subcontractors for projects using the alternative process

UW partially concurs

4 UW should:

review post-selection activities to identify opportunities to reduce time to begin constructing Harborview projects and report results to Legislature and Capital Projects Advisory Review Board

UW concurs

Note: The Office of Financial Management (OFM) responded that it did not have comments on this report

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