

Capital Projects Advisory Review Board Job Order Contracting Committee Report

November 16, 2017

Topic

Alternative procurement method Job Order Contracting – RCW 39.10.420 to RCW 39.10.460

Introduction and Purpose

Many public bodies throughout the state have utilized Job Order Contracting for over twelve years with excellent success. During that time, the implementation of JOC has become more efficient and effective providing a wide variety of repair, remodeling and renovation construction. There is a growing concern that the comprehensive use of JOC is being stifled due the limiting guidelines identified in RCW 39.10.420 to RCW 39.10.490 while the identification of exemplary implementation of JOC has identified best practices worthy of documentation to further improve the procurement process.

The Committee presented their findings to CPARB in the September 14, 2017 meeting. In conjunction and as supported by those findings, the Committee recommends the following legislative changes:

1. 39.10.420 Job order procedure – Which public bodies may use – Authorized use.
 - a. Add an item (l) which states, “Other public bodies may be approved to award job order contracts by the Project Review Committee.”
2. 39.10.440 Job order procedure – Contract requirements.
 - a. Add a statement that “Any unused capacity from the previous year can be carried over and added to the next year’s limit.”
 - b. Add “The state universities, regional universities, and The Evergreen State College” to the list of public bodies that have a maximum annual dollar amount of six million dollars.
 - c. Add “The maximum dollar amounts do not include Washington State Sales Tax.”
3. 39.10.450 Job order procedure – Work orders.
 - a. Increase the maximum dollar amount for a work order to five hundred thousand dollars, not including Washington State sales tax.
 - b. Remove item (4) which states “Any new permanent, enclosed building space constructed under a work order shall not exceed two thousand gross square feet.”

The committee prioritized the above recommended changes as follows:

1. Task order increase to \$500k not including sales tax.
2. Unused capacity can be carried over to the next year.
3. Adding higher education to the list of approved public bodies to have \$6M annual contracts.

Administrative Corrections:

4. Excluding sales tax from the annual limits.

Items discussed and requested to be considered:

5. Allowing public bodies to seek the ability to hold a Job Order Contract through the PRC.
6. Removing the requirement for all new constructions to be under 2,000 SF.