

**Attachment #2**  
**To SBTF Report #1 - February**

1 AN ACT Relating to job order contracting under the alternative  
2 public works contracting procedures; and amending RCW 39.10.420,  
3 39.10.440, and 39.10.450.

4

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6

7 **Sec. 1.** RCW 39.10.420 and 2009 c 75 s 7 are each amended to read  
8 as follows:

9 ~~((1) The following public bodies are authorized to use the job~~  
10 ~~order contracting procedure:~~

11 ~~— (a) The department of general administration;~~

12 ~~— (b) The University of Washington;~~

13 ~~— (c) Washington State University;~~

14 ~~— (d) Every city with a population greater than seventy thousand and~~  
15 ~~any public authority chartered by such city under RCW 35.21.730~~  
16 ~~through 35.21.755;~~

17 ~~— (e) Every county with a population greater than four hundred fifty~~  
18 ~~thousand;~~

19

1 ~~— (f) Every port district with total revenues greater than fifteen~~  
2 ~~million dollars per year;~~

3 ~~— (g) Every public utility district with revenues from energy sales~~  
4 ~~greater than twenty-three million dollars per year;~~

5 ~~— (h) Every school district; and~~

6 ~~— (i) The state ferry system.~~

7 ~~— (2) (a) The department of general administration may issue job~~  
8 ~~order contract work orders for Washington state parks department~~  
9 ~~projects.~~

10 ~~— (b) The department of general administration, the University of~~  
11 ~~Washington, and Washington State University may issue job order~~  
12 ~~contract work orders for the state regional universities and The~~  
13 ~~Evergreen State College.~~

14 ~~— (3))~~ Public bodies may use a job order contract for public works  
15 projects when a determination is made that the use of job order  
16 contracts will benefit the public by providing an effective means of  
17 reducing the total lead-time and cost for the construction of public  
18 works projects for repair and renovation required at public facilities  
19 through the use of unit price books and work orders by eliminating  
20 time-consuming, costly aspects of the traditional public works  
21 process, which require separate contracting actions for each small  
22 project.

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24

25 **Sec. 2.** RCW 39.10.440 and 2007 c 494 s 403 are each amended to  
26 read as follows:

27 (1) The maximum total dollar amount that may be awarded under a  
28 job order contract is ~~((four))~~ six million dollars per year for a  
29 maximum of three years. The department of general administration  
30 shall adjust this dollar amount annually for inflation based on the  
31 Engineering News Record construction cost index.

32 (2) Job order contracts may be executed for an initial contract  
33 term of not to exceed two years, with the option of extending or  
34 renewing the job order contract for one year. All extensions or

1 renewals must be priced as provided in the request for proposals. The  
2 extension or renewal must be mutually agreed to by the public body and  
3 the job order contractor.

4 (3) A public body may have no more than two job order contracts in  
5 effect at any one time, with the exception of the department of  
6 general administration, which may have four job order contracts in  
7 effect at any one time.

8 (4) At least ninety percent of work contained in a job order  
9 contract must be subcontracted to entities other than the job order  
10 contractor. The job order contractor must distribute contracts as  
11 equitably as possible among qualified and available subcontractors  
12 including minority and woman-owned subcontractors to the extent  
13 permitted by law.

14 (5) The job order contractor shall publish notification of intent  
15 to perform public works projects at the beginning of each contract  
16 year in a statewide publication and in a legal newspaper of general  
17 circulation in every county in which the public works projects are  
18 anticipated.

19 (6) Job order contractors shall pay prevailing wages for all work  
20 that would otherwise be subject to the requirements of chapter 39.12  
21 RCW. Prevailing wages for all work performed pursuant to each work  
22 order must be the rates in effect at the time the individual work  
23 order is issued.

24 (7) If, in the initial contract term, the public body, at no fault  
25 of the job order contractor, fails to issue the minimum amount of work  
26 orders stated in the public request for proposals, the public body  
27 shall pay the contractor an amount equal to the difference between the  
28 minimum work order amount and the actual total of the work orders  
29 issued multiplied by an appropriate percentage for overhead and profit  
30 contained in the contract award coefficient for services as specified  
31 in the request for proposals. This is the contractor's sole remedy.

32 (8) All job order contracts awarded under this section must be  
33 signed before July 1, 2013; however the job order contract may be  
34 extended or renewed as provided for in this section.

1 (9) Public bodies may amend job order contracts awarded prior to  
2 July 1, 2007, in accordance with this chapter.

3  
4 **Sec. 3.** RCW 39.10.450 and 2007 c 494 s 404 are each amended to  
5 read as follows:

6 (1) The maximum dollar amount for a work order is ~~((three))~~ five  
7 hundred ~~((fifty))~~ thousand dollars. The department of general  
8 administration shall adjust this dollar amount annually for inflation  
9 based on the Engineering News Record construction cost index. ~~((For~~  
10 ~~each job order contract, public bodies shall not issue more than two~~  
11 ~~work orders equal to or greater than three hundred thousand dollars in~~  
12 ~~a twelve-month contract period.~~

13 )) (2) All work orders issued for the same project shall be treated  
14 as a single work order for purposes of the dollar limit on work  
15 orders.

16 (3) No more than twenty percent of the dollar value of a work  
17 order may consist of items of work not contained in the unit price  
18 book.

19 (4) Any new permanent, enclosed building space constructed under a  
20 work order shall not exceed two thousand gross square feet.

21 (5) A public body may issue no work orders under a job order  
22 contract until it has approved, in consultation with the office of  
23 minority and women's business enterprises or the equivalent local  
24 agency, a plan prepared by the job order contractor that equitably  
25 spreads certified women and minority business enterprise  
26 subcontracting opportunities, to the extent permitted by the  
27 Washington state civil rights act, RCW 49.60.400, among the various  
28 subcontract disciplines.

29 (6) For purposes of chapters 39.08, 39.12, 39.76, and 60.28 RCW,  
30 each work order issued shall be treated as a separate contract. The  
31 alternate filing provisions of RCW 39.12.040(2) apply to each work  
32 order that otherwise meets the eligibility requirements of RCW  
33 39.12.040(2).

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1       (7) The job order contract shall not be used for the procurement  
2 of architectural or engineering services not associated with specific  
3 work orders. Architectural and engineering services shall be procured  
4 in accordance with RCW 39.80.040.

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