

HOUSE BILL REPORT

ESHB 1093

As Passed House:

May 17, 1995

Title: An act relating to streamlining purchasing provisions for state agencies including Washington state ferries.

Brief Description: Revising bidding procedures for public agencies.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives K. Schmidt, Johnson, Romero and Wolfe; by request of Department of General Administration).

Brief History:

Committee Activity:

Transportation: 1/23/95, 2/16/95 [DPS].

Floor Activity:

Passed House: 3/8/95, 97-0.

First Special Session

Floor Activity:

Passed House: 5/17/95, 89-0.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chandler; Chopp; Elliot; Hankins; Horn; Johnson; Koster; McMahan; Ogden; Quall; Robertson; Romero; D. Schmidt; Scott and Tokuda.

Staff: Vicki Fabre (786-7313).

Background: The original bill clarified state purchasing provisions impacting the acquisition of materials, supplies and equipment for the State Ferry System (such as propulsion systems) or other large technical systems. It also provided for additional streamlining changes in the procurement law for all state agencies.

The major focus of the original legislation was on giving the Department of General Administration clear authority to use, in addition to the traditional competitive bid

process which selects bidders solely on the basis of lowest cost, a Request for Proposal (RFP) process that takes into consideration specific evaluation criteria necessary for selecting contracts for complex, technical procurements.

The bill did not pass in the regular session because of concerns raised about expanding the RFP authority to all state agencies.

Because of the Washington State Ferries' (WSF) need to make some immediate, high technology equipment purchases, a compromise was worked out that narrowed the focus of the bill to only address the procurement needs of WSF (i.e., the replacement of faulty Ross Hill propulsion systems in a number of boats and the purchase of a passenger-only ferry prototype).

Summary: The Department of Transportation (DOT) is required to procure materials, supplies, services and equipment for ferries and terminals in accordance with the state competitive bid law (43.19) - using an Invitation for Bid (IFB) unless the secretary of the DOT determines in writing that use of the IFB is not practicable or advantageous to the state. DOT may then pursue purchases using a formal RFP solicitation.

The RFP solicitation must include a functional description of the needs and requirements.

The contract is awarded to the responsible proposer whose competitive sealed proposal is determined to be the most advantageous to the state, taking into consideration price and other evaluation factors set forth in the proposal.

The DOT is prohibited from selecting contracts using evaluation factors not specified in the proposal.

If lifecycle cost analysis is used, it must be given the same relative importance as the initial price element specified in the RFP.

DOT is authorized to extend ferry concession contracts from 5 to 10 years and can use an IFB or RFP process.

The current RFP process for the purchase of passenger-only ferries is repealed.

The Legislative Transportation Committee is required to review the appropriateness of the RFP process used for ferry procurements and report back to the House and Senate Transportation Committees by January 1, 1997.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: The legislation implements the findings of the 1994 review by the departments of General Administration and Transportation and the Office of Financial Management of state agency procurement requirements. The changes in the competitive bid process are responsive to the particular needs of the state ferry system and streamline the process for all state agencies.

Testimony Against: None.

Testified: John Franklin, Department of General Administration (pro); Nancy Locke, Department of General Administration (pro); Duke Schaub, Associated General Contractors of Washington (pro with amendment); Terry McCarthy, Washington State Ferries (pro); Mark Triplett, NC Machinery (pro with amendment); and Darren Venters, NC Machinery (pro with amendment).