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HOUSE BILL 2221

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State of Washington

58th Legislature

2003 Regular Session

By Representative Morris

Read first time . Referred to .

1 AN ACT Relating to ferry construction; adding new sections to  
2 chapter 47.60 RCW; creating a new section; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that there is a  
5 compelling need for the construction of up to five or more auto-  
6 passenger ferries to replace the four Steel Electric Class ferries in  
7 service and continue current service levels. The long-range travel  
8 demand for trips throughout the ferry system indicates a seventy-seven  
9 percent growth in passenger usage and a fifty-seven percent growth in  
10 vehicle usage over the next twenty years. In order to support the  
11 economic growth of the Puget Sound region and meet the forecasted  
12 citizen cross-sound travel demand, the Washington state ferry system  
13 must provide reliable ferry vessel operations that cannot be maintained  
14 by the existing aging Steel Electric Class ferry capacity and other  
15 noncomplying safety of life at sea vessels. The legislature further  
16 finds that the new construction and financing methods available from  
17 industry might provide knowledge that will result in cost savings and  
18 efficiencies in the construction of the five vessels, and it is  
19 essential for the welfare of the state and the economy to have the

1 advantage of these cost savings, procedures, and efficiencies that can  
2 be achieved by the use of the design-build and possible finance  
3 construction process if prudent. "Prudent" means using the least cost  
4 method of financing when considered against available revenue.

5 (2) The legislature intends to procure up to five or more ferries  
6 designated the San Juan Class to replace the four Steel Electric Class  
7 ferries and continue service from Anacortes to Sidney by using  
8 construction methods, equipment, techniques, and financing that  
9 delivers the highest quality ferries to the taxpayers with a financing  
10 program that allows the vessels to be procured at the best price.

11 NEW SECTION. **Sec. 2.** Notwithstanding any other provision of law,  
12 the department shall enter into agreements for the construction and  
13 acquisition of two auto-passenger ferries from current funds and two  
14 auto-passenger ferries from new law budget and one ferry from  
15 operational savings as outlined in this act and also procure an option  
16 price to purchase additional boats for domestic use or resale. The  
17 five ferries must be of comparable quality and design to the Jumbo Mark  
18 II Class ferry and meet the certifications of the United States Coast  
19 Guard, the American Bureau of Shipping, and safety of life at sea.  
20 Operational savings are those funds saved from the normal day-to-day  
21 operational costs of the four Steel Electric Class vessels minus the  
22 actual operating costs of the San Juan Class ferries collected from the  
23 four Steel Electric route farebox recovery.

24 NEW SECTION. **Sec. 3.** When constructing the ferries under section  
25 2 of this act, the department shall require that:

26 (1) Contractors comply with applicable laws, rules, and regulations  
27 including, but not limited to, those pertaining to the environment,  
28 worker health and safety, and prevailing wages;

29 (2) The ferries are constructed within the boundaries of the state  
30 of Washington; except components, products, and systems that are  
31 standard manufactured items are not subject to the in-state  
32 requirement. For the purposes of this section, "constructed" means the  
33 fabrication, by the joining together of welded or fastening of all  
34 steel parts from which the total vessel is constructed, including, but  
35 not limited to, all shell frames, longitudinals, bulkheads, webs,  
36 piping runs, wire ways, and ducting. "Constructed" also means the

1 installation of all components and systems, as required by the  
2 contract, including, but not limited to, equipment, machinery,  
3 castings, electrical, electronics, deck covering, lining, paint, and  
4 joiner work. "Constructed" also means the interconnection of all  
5 equipment, machinery, and services, such as piping, wiring, and  
6 ducting;

7 (3) All warranty work on the vessels is performed within the  
8 boundaries of the state of Washington, insofar as practicable; and

9 (4) Other requirements that are mandated by state or federal law as  
10 any requirements that are reasonably calculated to accomplish the  
11 purpose of section 2 of this act and this section.

12 NEW SECTION. **Sec. 4.** Washington State Ferries must adhere to the  
13 criteria under this section when procuring new San Juan Class auto-  
14 passenger ferries to replace the four Steel Electric Class ferries  
15 under the process contained in RCW 47.60.010. The procurement of these  
16 vessels is authorized as required in RCW 47.60.010.

17 The request for proposals must include instructions requiring the  
18 development of private placement of lease-backed certificates of  
19 participation financing for each proposal. The financing component of  
20 each proposal must be considered by Washington State Ferries as an  
21 integral component of each request for proposals, response, and bid.  
22 Washington State Ferries will use the office of financial management,  
23 the office of the state treasurer, the Washington state transportation  
24 commission, and the legislative transportation committee as advisers in  
25 evaluating the financing benefits of each response.

26 The request for proposal must also contain:

27 (1) A functional specification created by Washington State Ferries.  
28 The functional specification must include specification sufficient to  
29 depict the ferries' characteristics and identify design criteria. The  
30 development of the functional specification may not exceed a period of  
31 thirty days nor a total cost of two hundred fifty thousand dollars;

32 (2) A provision that the construction of the ferries meets the  
33 regulatory requirements and certifications of the United States Coast  
34 Guard, the American Bureau of Shipping, and safety of life at sea;

35 (3) A provision that the constructed ferries can navigate all  
36 scheduled routes, fit all existing terminals for auto-passenger ferries

1 throughout the system, and be capable of maintaining existing  
2 schedules;

3 (4) A stipulation that funds appropriated to Washington State  
4 Ferries for the purpose of this bid may not be used for honoraria for  
5 the development of private sector responses for the request for  
6 proposals; and

7 (5) Other requirements that are mandated by state or federal law,  
8 as well as any requirements that are reasonably calculated to  
9 accomplish the mission of the Washington state ferry system.

10 NEW SECTION. **Sec. 5.** The bidders seeking to construct the ferries  
11 authorized under section 4 of this act are responsible to the state as  
12 follows:

13 (1) Within ninety days of the publication of the functional  
14 specification, bidders must respond with proposals containing  
15 sufficient technical detail for the Washington state ferry system to  
16 ascertain the technical viability of the proposal to meet the  
17 functional specification; and

18 (2) The responsive bidder must take total responsibility for the  
19 delivery of the ferries as agreed to at the signing of the contract.  
20 The delivered ferries must meet all requirements of the contract  
21 including, but not limited to, adherence to all the specifications,  
22 certifications, and price, as agreed to at the signing of the contract.

23 NEW SECTION. **Sec. 6.** Sections 2 through 5 of this act are each  
24 added to chapter 47.60 RCW.

25 NEW SECTION. **Sec. 7.** This act is necessary for the immediate  
26 preservation of the public peace, health, or safety, or support of the  
27 state government and its existing public institutions, and takes effect  
28 immediately.

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