

---

**Transportation Committee**

---

**HB 2378**

**Brief Description:** Expediting new vessel construction for Washington state ferries.

**Sponsors:** Representatives Flannigan, Jarrett, Clibborn, Eddy, Seaquist and Roberts.

**Brief Summary of Bill**

- Modifies the provisions related to ferry vessel procurement through the design-build process to allow for the negotiation of a contract if there is only a single qualified proposer.

**Hearing Date:** 3/29/07

**Staff:** David Munnecke (786-7315).

**Background:**

The design-build ferry procurement process is divided into three phases. In order to commence the utilization of the process, the Department of Transportation (DOT) issues a notice of intent to submit a request for proposal (RFP).

In phase one, the DOT evaluates and selects pre-qualified proposers to participate in development of technical proposals. DOT rules outline pre-qualification requirements, which include both a technical and financial test. In phase two, qualified proposers prepare technical proposals in consultation with the DOT, sufficient to generate a firm, fixed price bid to the department. Phase three includes the submission and evaluation of bids, award of the contract, and design and construction of the auto ferries.

In order to be considered, bids must conform with the technical proposals submitted in phase two and proposers must have qualified through phase two. The DOT may select the lowest total bid price and award the contract or reject any or all of the bids, republish the RFP, or revise or cancel the RFP. The DOT may provide an honorarium to reimburse each unsuccessful phase three proposer for a portion of its technical proposal preparation costs.

**Summary of Bill:**

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Legislature finds that the Washington State Ferries has commenced a vessel procurement process to replace older and outdated vessels and that this process must move forward with all speed. The commencement of construction is determined to be important for safety reasons as well as for sustaining the region's ship construction and preservation capacity.

The provisions related to ferry vessel procurement through the design-build process are modified to allow for the negotiation of a contract if there is only a single qualified proposer. The Department of Transportation (DOT) is also authorized to negotiate incentives and cost sharing provisions with the proposer.

The DOT is required to submit a copy of the contract, along with the negotiated price, to the Office of Financial Management 10 days prior to the execution of the contract. If the negotiated price is higher than the adopted expenditure plan for vessel construction, the DOT may not execute the contract until the Legislature reviews the proposal and adjusts the expenditure plan.

If the DOT and the proposer are not able to reach an agreement, the DOT may republish, revise, or cancel the request for proposals process.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.