

HOUSE BILL REPORT

HB 2271

As Amended by the Senate

Title: An act relating to work performed by state forces on ferry vessels or terminals.

Brief Description: Authorizing state forces to perform work on ferry vessels or terminals when estimated costs are less than one hundred twenty thousand dollars.

Sponsors: Representatives Liias, Rodne, Sells, Clibborn, Johnson, Takko, Van De Wege, Springer, Williams, Finn, Nelson, Seaquist and Simpson; by request of Department of Transportation.

Brief History:

Committee Activity:

Transportation: 2/24/09, 2/27/09 [DP]; 1/14/10 [DP].

Floor Activity:

Passed House: 3/11/09, 94-2.

Floor Activity:

Passed House: 2/10/10, 62-34.

Passed Senate: 3/3/10, 59-48.

Brief Summary of Bill

- Allows state work forces to maintain and preserve the Washington State Department of Transportation ferry vessels and terminals if the estimated cost of the work is less than \$120,000, as opposed to the current limit of \$60,000.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 16 members: Representatives Clibborn, Chair; Liias, Vice Chair; Driscoll, Eddy, Finn, Flannigan, Moeller, Morris, Rolfes, Sells, Simpson, Springer, Takko, Upthegrove, Wallace and Williams.

Minority Report: Do not pass. Signed by 9 members: Representatives Roach, Ranking Minority Member; Armstrong, Ericksen, Herrera, Johnson, Klippert, Kristiansen, Nealey and Shea.

Staff: Debbie Driver (786-7143).

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.

Background:

State highways may be constructed, altered, repaired, or improved by state work forces or by contractors. The work may be done by state work forces when:

- estimated costs are less than \$60,000; or
- estimated costs are less than \$100,000 and delay of the project would jeopardize a state highway or constitute a danger to the traveling public.

The Washington State Department of Transportation (WSDOT) Ferries Division has a maintenance facility located at Eagle Harbor on Bainbridge Island. The WSDOT employees at the site perform maintenance and preservation work on ferry vessels and terminals within the contracting limits in state law.

Summary of Bill:

State work forces may construct, alter, repair, or improve the WSDOT ferry vessels and terminals if the estimated cost of the work is less than \$120,000.

EFFECT OF SENATE AMENDMENT(S):

As Passed House Floor:

- Allows state work forces to maintain and preserve the Washington State Department of Transportation ferry vessels and terminals if the estimated cost of the work is less than \$120,000, as opposed to the current limit of \$60,000.

As Passed Senate Floor Compared to As Passed House:

- States the intent of legislature to implement the recommendations from the Joint Transportation Committee ferry study as soon as practicable.
- Establishes legislative intent to make various additional policy changes aimed at further efficiencies and cost savings.
- Specifies that "terminal and vessel" preservation funding requests shall only be for assets in the life-cycle cost model.
- Requires all terminal and vessel funding requests that exceed \$5.0 million per project to be accompanied by a pre-design study.
- Expands existing terminal design standards to vessel design standards such as:
 - Adherence to vehicle level of service standards;
 - Adherence to operational strategies;
 - Use of a life-cycle cost analysis in planning.
- Requires that terminal preservation plans adhere to the life-cycle cost model on capital assets.
- Requires that project funding requests for vessel improvements and vessel acquisition must include route-based planning.
- Requires additional elements that must be included in the pre-design study:
 - Identification of any terminal, vessel or other capital modifications that would be required as a result of the proposed capital project;

- Inclusion of planned service modifications as a result of the proposed capital project;
- Evaluation of long-term operating costs including fuel efficiency, staffing and preservation
- Prioritization of vessel preservation and acquisition funding requests over vessel improvement funding requests.
- Includes new predesign study requirements for vessel acquisition to include:
 - A business decision case on vessel sizing;
 - An updated vessel deployment plan;
 - Analysis that demonstrates acquiring a new vessel or improving an existing vessel is more cost-effective than other alternatives considered.
- Requires the Department of Transportation (DOT) to develop a set of metrics that measure performance and report those to the Legislature and the Office of Financial Management.
- Requires an annual report to include on-time arrival and departure statistics and requires those statistics to be shown on the Ferries' website.
- Requires prominently displayed signage at each terminal and on each vessel informing the public that assaults on Washington state employees will be prosecuted to the full extent of the law.
- Requires the Department of Transportation to investigate frequency, severity and prosecutorial results of assaults and report incidents and recommendations to House and Senate Transportation Committees during the 2011 session.
- Increases bid limits for ferry vessel and terminal work performed by state workers from \$60,000 to \$75,000 for fiscal year 2011 only.
- Requires an independent analysis to identify methods of reducing out-of-service times for vessel maintenance, preservation and improvement projects.
- Requires the DOT to develop a proposed vessel maintenance, preservation and improvement program and present it to the transportation committees by 12.1.2010 and outlines a variety of elements the program must address.
- Requires that Washington State Ferries must analyze contracting out versus in-house work and determine which results in lower out-of-service vessel time.
- Strikes the public policy goal of the Washington State Ferries that promotion of just and fair compensation, benefits and working conditions for ferry system employees as compared with public and private employees in states along the west coast, including Alaska, and in British Columbia in directly comparable but not identical positions.
- Clarifies that retirements systems or retirement benefits are not subject to collective bargaining.
- Requires that arbitration awards must be certified by the Office of Financial Management as being feasible financially for the state before the Governor may submit them to the Legislature.
- Requires parties to enter into collective bargaining for a mutually agreed upon modification of an arbitration award if, after the compensation and fringe benefit provisions are approved by the Legislature, a significant revenue shortfall occurs.
- Removes the limitation that an arbitrator may only decide between the final offers of the parties on each impasse item.
- Requires the arbitrator to make written findings of fact and a written determination of the issues in dispute, based on the evidence presented.

- Removes the requirement that the Marine Employee Commission perform salary surveys.
- Adds factors that an arbitrator must take into consideration, including:
 - The financial ability of DOT to pay for the compensation and fringe benefit provisions of a collective bargaining agreement;
 - The ability of the state to retain ferry employees;
 - Comparison of wages, hours, employee benefits, and conditions of employment of ferry employees with other state employees;
 - The overall compensation received by ferry employees, including direct wage compensation, vacations, holidays and other paid excuse time, pensions, insurance benefits, and all other direct or indirect monetary benefits received; and
 - The implicit price deflator for personal consumption index.
- The Washington State Ferries may not give free ferry rides to current or former employees and their families - except current employees if needed for job duties or commuting directly between work and home

The Washington State Ferries cannot reimburse any Department of Transportation employee for mileage or travel time costs for commuting between the employee's home residence and work assignment when the employee bids on the work assignment location.

Appropriation: None.

Fiscal Note: 2009 Fiscal Note Available.

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

Staff Summary of Public Testimony:

(In support) This bill is the product of cooperation between management and labor, and will help reduce costs to maintain and preserve ferry vessels and terminals. The workers at Eagle Harbor are highly skilled and know ferry terminals and vessels yet the hourly burdened labor rate is less for Eagle Harbor employees than for commercial contract employees. The ferries would still use commercial vendors for a variety of projects, but this bill would allow cost savings for tax payers by increasing the threshold that determines when a project can be completed by the state work force. The bill provides an increase to a threshold that has not been adjusted by an inflation factor while project costs have increased over the past decade.

(Opposed) The increase in the limits to retain work at the state would result in taking jobs out of the private sector at a time when private sector jobs are needed. If a private contractor does not complete a job to satisfaction, they respond by improving the project. Public workers would spend more time on the job, which would cost taxpayers money and increase the timeline of the project. Keep jobs in the private sector and keep the work in the private sector.

Persons Testifying: (In support) Representative Liias, prime sponsor; David Moseley, Assistant Secretary, and Vern Day, Washington State Department of Transportation, Ferries

Division; Gordon Baxter and Marty Yellam, Puget Sound Metal Trades Council; and Robert Scott, Northwest Carpenters and Puget Sound Metal Trades Council.

(Opposed) Larry Stevens, Mechanical Contractors and Electrical Contractors.

Persons Signed In To Testify But Not Testifying: None.