
HOUSE BILL 1119

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Morris and Anderson

1 AN ACT Relating to privatizing the management of the state ferry
2 system; adding new sections to chapter 47.60 RCW; and creating a new
3 section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the ferry system
6 is an important driver of the Washington state economy, supporting jobs
7 and businesses in communities around Puget Sound. The ferry system is
8 also an integral part of the state highway system and, as such,
9 benefits all citizens by connecting communities and markets around the
10 state.

11 The legislature further finds that funding for the ferry system
12 remains insufficient to provide adequate service in support of this
13 economic engine. Further, new funding sources will only be acceptable
14 when the state can show that the ferry system manages its costs
15 prudently, while delivering reliable, safe, and quality cross-sound
16 transportation services.

17 Therefore, the legislature intends to privatize management
18 functions of the ferry system, making the system contractually
19 accountable for efficient and quality service. In doing so, the

1 legislature intends to: Improve the management of ferry operations;
2 increase the accountability and transparency of ferry management and
3 operations; and realize cost savings in ferry management.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.60 RCW
5 to read as follows:

6 (1) For the purposes of this section and section 3 of this act:

7 (a) "Management" means a nonrepresented employee position at the
8 Washington state ferries that includes management responsibilities.

9 (b) "Performance criteria" means measurable standards included in
10 a contract for the private provision of ferry system management
11 functions to be used by the department to evaluate the sufficiency of
12 the services being provided by the contractor.

13 (2) Performance criteria may include, but not be limited to:

14 (a) Customer satisfaction;

15 (b) On-time performance;

16 (c) Fuel consumption improvements;

17 (d) Administrative cost per rider for both vehicle and passenger
18 and passenger-only vessels;

19 (e) Unit cost of services delivered;

20 (f) Incident and accident rates;

21 (g) Employee satisfaction;

22 (h) Performance metrics of state employees;

23 (i) Project delivery rate;

24 (j) Vessel performance;

25 (k) A preservation and capital asset audit as described in section
26 15, chapter 512, Laws of 2007.

27 (3) Based on the performance criteria under subsection (2) of this
28 section, contracts for ferry system management functions must provide
29 for incentive or retained payment arrangements as a means of ensuring
30 satisfactory performance of the contract and improved performance of
31 the ferry system over time.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.60 RCW
33 to read as follows:

34 (1) By June 30, 2012, the department must competitively contract
35 out ferry system management functions to a private management services
36 firm. The contract must include specific performance criteria and

1 measures to be achieved by the firm and must require that the firm
2 retain existing collective bargaining agreements between the state and
3 the employees' labor representatives. The contract must be for a
4 six-year period, with a ten-year extension option.

5 (2) The invitation for bid process for the contract may include a
6 preliminary request for qualifications to inform the most effective way
7 to contract for management functions.

8 (3) Consistent with RCW 41.06.142(3), the contract is not subject
9 to requirements for agencies purchasing services that have been
10 customarily and historically provided by state employees.

11 (4) By November 1, 2011, the department shall report to the
12 governor and the legislature on the management services to be
13 privatized, any statutory changes required, the efforts to ensure
14 competition for the contract, planned methods for contract management,
15 the provisions in the contract ensuring accountability to performance
16 criteria, and expected savings in staff and funding levels to the
17 omnibus transportation appropriations act. The report must also
18 include the competitive solicitation documents.

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