
SUBSTITUTE HOUSE BILL 1516

State of Washington

62nd Legislature

2011 Regular Session

By House Transportation (originally sponsored by Representatives Morris, Armstrong, Rolfes, Clibborn, Fitzgibbon, Lias, Maxwell, Appleton, Sells, Eddy, and Smith)

READ FIRST TIME 02/25/11.

1 AN ACT Relating to improving and measuring performance of the
2 management of the state ferry system; adding new sections to chapter
3 47.60 RCW; adding a new section to chapter 47.64 RCW; creating a new
4 section; and declaring an emergency.

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

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

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

18 The legislature finds that the ferry system is subject to the
19 statewide transportation system policy goals established in RCW

1 47.04.280 and yet performance criteria are not fully used by management
2 to improve operations or demonstrate to the public that ferry service
3 is being provided in the most cost-effective manner.

4 Therefore, the legislature intends to: Strengthen performance
5 incentives for Washington state ferries managers; increase the
6 accountability and transparency of ferry management and operations;
7 improve service to ferry riders; and realize cost savings in the ferry
8 system.

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

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

12 (a) "Management" means a Washington management services employee or
13 exempt employee at the Washington state ferries.

14 (b) "Performance criteria" means measurable standards to be used by
15 the department to evaluate the sufficiency of the services being
16 provided to ferry riders.

17 (c) "Performance report" means a report that summarizes ferry
18 system performance using the performance criteria under subsection (2)
19 of this section, identifies whether performance targets were achieved,
20 and includes a management discussion of the results.

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

22 (a) Safety performance as measured by passenger injuries per one
23 million passenger miles and by injuries per ten thousand revenue
24 service hours that are recordable by standards of the federal
25 occupational safety and health administration and related to standard
26 operating procedures;

27 (b) Service effectiveness measures including, but not limited to,
28 passenger satisfaction of interactions with ferry employees,
29 cleanliness and comfort of vessels and terminals, and satisfactory
30 response to requests for assistance. Passenger satisfaction must be
31 measured by an evaluation that is created by a contracted market
32 research company and conducted by the Washington state transportation
33 commission as part of the ferry riders' opinion group survey. The
34 Washington state transportation commission shall, to the extent
35 possible, integrate the passenger satisfaction evaluation into the
36 ferry user data survey described in RCW 47.60.286;

1 (c) On-time performance by route within ten minutes of published
2 sailing time. This measurement must exclude delays that are authorized
3 or are outside of the control of the department including, but not
4 limited to, medical issues, weather or tidal conditions, and security
5 or other safety issues;

6 (d) Cost containment measures including, but not limited to,
7 operating cost per passenger mile, operating cost per revenue service
8 mile, discretionary overtime as a percentage of straight time, and
9 gallons of fuel consumed per revenue service mile;

10 (e) Maintenance and capital program effectiveness measures
11 including, but not limited to: Project delivery rate as measured by
12 the number of projects completed on time and within the omnibus
13 transportation appropriations act; vessel and terminal design and
14 engineering costs as measured by a percentage of the total capital
15 program, including measurement of the ongoing operating and maintenance
16 costs; and total vessel out-of-service time.

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

19 (1) Performance targets must be established by an ad hoc committee
20 with members from and designated by the office of the governor. By
21 July 1, 2011, the ad hoc committee shall present the performance
22 targets to the representatives of the legislative transportation
23 committees and the joint transportation committee for review and
24 approval.

25 (2) By October 1, 2011, the department shall complete a performance
26 report that provides a baseline assessment of current performance using
27 final 2009-2011 data. This report must be reviewed by the office of
28 financial management and be provided to the legislative transportation
29 committees by November 1, 2011.

30 (3) By October 1, 2012, and each year thereafter, the department
31 shall complete a performance report for the prior fiscal year. This
32 report must be reviewed by the office of financial management, and the
33 findings of the report must be incorporated into the governor's
34 proposed biennial transportation budget. The office of financial
35 management shall transmit a copy of the reviewed performance report to
36 the legislature with the governor's proposed biennial transportation
37 budget.

1 (4)(a) By June 30, 2013, the Washington state ferries must meet or
2 exceed the target performance level for seventy-five percent of the
3 performance criteria under section 2(2) of this act. If the department
4 does not meet or exceed the target performance level for seventy-five
5 percent of the performance criteria, the department must competitively
6 contract out ferry system management functions to a private management
7 services firm.

8 (b) The invitation for bid process for the contract may include a
9 preliminary request for qualifications to inform the most effective way
10 to contract for management functions.

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

14 (d) The contract must be a fixed cost contract that requires the
15 private management services firm to meet or exceed the target
16 performance level for seventy-five percent of the performance criteria
17 under section 2(2) of this act. Based on this performance criteria,
18 the contract must provide for incentive or retained payment
19 arrangements as a means of ensuring satisfactory performance of the
20 contract and improved performance of the ferry system over time.

21 (e) The contract must include a requirement that the firm retain
22 existing and future collective bargaining agreements as negotiated
23 between the state and the employees' labor representatives. The
24 private management services firm may rehire Washington management
25 services employees or exempt employees at the Washington state ferries.

26 (f) The contract must be for a two-year period. If the private
27 management services firm meets or exceeds the performance criteria
28 under section 2(2) of this act, the contract is renewable for an
29 additional two years for a maximum of ten years. After ten years, the
30 department shall implement an invitation for bid process.

31 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.64 RCW
32 to read as follows:

33 A collective bargaining agreement may not allow for department of
34 transportation Washington management services managers or exempt
35 management services managers to belong to the same bargaining unit
36 representing employees whom the managers supervise.

1 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

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