
SENATE BILL 5406

State of Washington 62nd Legislature 2011 Regular Session

By Senators Haugen, Sheldon, Hobbs, Prentice, and Shin

Read first time 01/24/11. Referred to Committee on Transportation.

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; and creating a
4 new section.

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 used effectively by
2 management to improve operations or demonstrate to the public that
3 ferry service 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 nonrepresented employee position at the
13 Washington state ferries that includes management responsibilities.

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

18 (a) Customer satisfaction based on a statistically significant
19 sampling of onboard passengers conducted by a contracted sampling
20 research company;

21 (b) On-time performance based on at least seventy percent of the
22 total sailings, by route or departure port arriving and departing
23 within ten minutes of published sailing time minus authorized delays,
24 such as medical or weather delays;

25 (c) Cost containment measures including, but not limited to,
26 overtime as a percentage of regular employee hours, operating cost per
27 passenger mile, capital staff and support costs as a percentage of
28 total capital costs, and fuel conservation measures to include
29 achieving a goal of equal or better vessel fuel cost per gallon than
30 that achieved by the Alaska marine highway system and British Columbia
31 ferries while accounting for any differential tax policies;

32 (d) Safety performance as measured by passenger injuries and crew
33 lost time injuries per unit measure of total passengers and crew
34 carried aboard vessels;

35 (e) Employee satisfaction as measured by an employee satisfaction
36 survey with a satisfaction rating increase of ten percent over two
37 years;

1 (f) Project delivery rate as measured by the number of projects
2 completed on time and within the omnibus transportation appropriations
3 act;

4 (g) Vessel and terminal design as measured by engineering designs
5 for vessels and terminals that achieve cost efficiencies in operating
6 and maintenance costs at a rate of at least ten percent operating
7 savings over two years.

8 (3) Based on the performance criteria under subsection (2) of this
9 section, contracts for ferry system management functions must provide
10 for incentive or retained payment arrangements as a means of ensuring
11 satisfactory performance of the contract and improved performance of
12 the ferry system over time.

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

15 (1) By June 30, 2013, the department must meet or exceed the target
16 performance level for fifty percent of the performance criteria under
17 section 2(2) of this act.

18 (2)(a) If the Washington state ferries accountability board created
19 in section 4 of this act determines that the department has not met the
20 requirement under subsection (1) of this section, the department must
21 competitively contract out ferry system management functions to a
22 private management services firm. The contract must include the
23 specific performance criteria and measures to be achieved by the firm
24 and must require that the firm retain existing collective bargaining
25 agreements between the state and the employees' labor representatives.
26 The contract must be for a six-year period, with a ten-year extension
27 option.

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

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

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

1 (1) The Washington state ferries accountability board is created
2 and must consist of ten members representing ferry user groups, the
3 legislature, and the executive branch.

4 (2) The board shall meet annually to determine the department's
5 progress towards and achievement of the performance criteria outlined
6 in section 2 of this act.

7 (3) The responsibilities of the board include, but are not limited
8 to, establishing baseline data and target performance levels for the
9 performance criteria outlined in section 2 of this act.

10 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.64 RCW
11 to read as follows:

12 A collective bargaining agreement may not allow for department of
13 transportation Washington management services managers or exempt
14 management services managers to belong to the same bargaining unit
15 representing employees whom the managers supervise.

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