
Transportation Committee

HB 2759

Brief Description: Modifying certain requirements for ferry vessel construction.

Sponsors: Representatives Seaquist, Smith, Young, Ryu and Muri.

Brief Summary of Bill

- Requires the Washington State Ferries (WSF) to employ an independent representative to serve the WSF's interests during the procurement process.
- Requires contracts to be fixed-price contracts, and allows for a contingency in such a contract to accommodate change orders.
- Includes additional requirements regarding the design of vessels.
- Eliminates a requirement that the WSF vessels be constructed within the State of Washington.

Hearing Date: 2/10/14

Staff: Andrew Russell (786-7143).

Background:

The Washington State Ferries (WSF) system is composed of 22 vessels, operating on 11 routes around the Puget Sound. In acquiring vessels for the system, the Washington State Department of Transportation (WSDOT) is authorized to use a design-build (DB) procurement process. This process consists of three phases - evaluation of proposers, preparation of technical proposals, and evaluation of bids and selection of the successful bidder.

To begin the DB process, the WSDOT must first issue a Request for Proposal (RFP) outlining the requirements of the project. These requirements include technical specifications of the vessel, estimated price range, information to be contained in any bid, and criteria used for selecting the successful bidder. Additionally, the RFP must require the vessel to be constructed

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.

within the State of Washington and that all warranty work on the vessel also be performed within the State of Washington.

Summary of Bill:

Washington is required to use a DB process in acquiring new vessels. During the DB procurement process, the WSDOT must use an independent representative to serve as an intermediary between the WSDOT and proposers. This representative must serve as the WSDOT's advocate and communicator, provide project oversight, manage change-order requests, and ensure that the contract is adhered to.

A ferry vessel procurement RFP must notify bidders that the contract will be a fixed-price contract that delivers the best life-cycle value. Additionally, "best life-cycle value" is added to the criteria to be considered in selecting the bid. Design specifications must be approved by the United States Coast Guard before construction begins. Such design specifications must also comply with the International Convention for the Safety of Life at Sea.

Fixed-price contracts must also include a contingency fund to accommodate change orders during the construction contract. This fund may be up to 5 percent of the total cost of the vessel, but may not be expended until approved by the Office of Financial Management. At the end of the project, any remaining contingency fund may be shared with the contractor if the project is completed under the original budget and delivered on time.

Finally, vessels procured by the WSF need not be constructed within the State of Washington.

Appropriation: None.

Fiscal Note: Available.

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