
Transportation Committee

ESSB 5992

Brief Description: Modifying certain requirements for ferry vessel construction.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Liias, Litzow, Braun, Schoesler, Parlette, Warnick, Sheldon, Becker and Brown).

Brief Summary of Engrossed Substitute Bill

- Requires the Washington State Department of Transportation to use design-build procurement in acquiring new ferry vessels.
- 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.
- Alters a requirement that ferry vessels be constructed within the State of Washington, allowing out-of-state construction in certain circumstances.

Hearing Date: 4/6/15

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

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

Summary of Bill:

The WSF must use a DB purchasing process for new auto vessels. During the DB process, the WSF must use an independent owners' representative as a third-party intermediary to serve as the WSF's primary advocate and communicator with the DB proposers, perform project quality oversight, manage change orders, and ensure the contract is adhered to.

The WSF must use a fixed-price contract, which is defined as a contract that requires the contractor to deliver a project for a set price. Change orders may be allowed on a fixed-price contract, but should be used on a limited basis. To accommodate change orders, the WSF must identify up to 5 percent of the contract price as contingency funds in their legislative appropriation request. The Office of Financial Management must hold these funds in reserve and may approve their release.

New vessel contracts must include a requirement that all vessel design and drawings are complete and meet applicable U.S. Coast Guard standards prior to construction beginning. If initial bids on a new vessel are greater than 5 percent above the WSDOT engineers' estimate for the project, all bids must be rejected, and the WSDOT must issue a new request that is not subject to build-in-Washington requirements.

The provisions of this act apply to new project contracts funded by Substitute Senate Bill 5987 (SSB 5987), concerning transportation revenue. Additionally, options executed on existing contracts for new 144-car vessels are specifically excluded from the changes made to the DB procurement process. Finally, an RCW section, which relates to the in-state construction of vessels with a capacity of less than 100 motor vehicles, is repealed.

Appropriation: None.

Fiscal Note: Available for original bill.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2015. The bill is also contingent upon the enactment of SSB 5987, concerning transportation revenue, by June 30, 2015.