

**ESHB 2322 - S AMD TO S-7225.1 1221**

By Senator Lovelett

**ADOPTED 03/03/2020**

1        On page 85, line 7, after "section.", insert: "The commencement of  
2 construction of new vessels for the ferry system is important not only  
3 for safety reasons, but also to keep skilled marine construction jobs  
4 in the Puget Sound region and to sustain the capacity of the region to  
5 meet the ongoing construction and preservation needs of the ferry  
6 system fleet of vessels. The legislature has determined that the  
7 current vessel procurement process must move forward with all due  
8 speed, balancing the interests of both the taxpayers and shipyards. To  
9 accomplish construction of vessels in accordance with RCW 47.60.810,  
10 the prevailing shipbuilder, for vessels initially funded after July 1,  
11 2020, is encouraged to follow the historical practice of  
12 subcontracting the construction of ferry superstructures to a separate  
13 nonaffiliated contractor located within the Puget Sound region, that  
14 is qualified in accordance with RCW 47.60.690. When subcontracting,  
15 the prevailing shipbuilder shall negotiate a fair value contract with  
16 the superstructure subcontractor or subcontractors. The negotiation of  
17 the scope of work for the superstructure subcontract shall include, at  
18 a minimum, the scope of work of superstructure construction  
19 historically performed by subcontractors on ferry superstructures. All  
20 negotiations must be completed within forty-five days of the  
21 department's approval of the final technical proposal. The prevailing  
22 shipbuilder must submit to the department evidence of good faith  
23 efforts, as judged by the department, to meet the superstructure  
24 subcontracting requirement set forth herein before proceeding with  
25 construction of the vessel."

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EFFECT: The prevailing shipbuilder of a new 144-car hybrid-electric vessel is encouraged, for vessels initially funded after July 1, 2020, to follow the historical practice of subcontracting the construction of ferry vessel superstructures to a separate nonaffiliate contractor located within the Puget Sound region.

FISCAL IMPACT: No net change to appropriated levels.

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