

# HOUSE BILL REPORT

## SB 5342

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**As Reported by House Committee On:**  
Transportation

**Title:** An act relating to transit agencies' ability to enter into interlocal agreements for procurement.

**Brief Description:** Concerning transit agencies' ability to enter into interlocal agreements for procurement.

**Sponsors:** Senators Kauffman, King, Lias, Kuderer, Nobles and Wilson, C..

**Brief History:**

**Committee Activity:**

Transportation: 3/9/23, 3/16/23 [DP].

**Brief Summary of Bill**

- Exempts transit agencies from certain interlocal agreement requirements, when procuring rolling stock through cooperative procurement schedules.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 28 members: Representatives Fey, Chair; Donaghy, Vice Chair; Paul, Vice Chair; Timmons, Vice Chair; Barkis, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Low, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Berry, Bronoske, Chapman, Cortes, Dent, Doglio, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Mena, Ramel, Ramos, Schmidt, Taylor, Volz, Walsh and Wylie.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Orcutt.

**Staff:** David Munnecke (786-7315).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

Public agencies in Washington are authorized to enter into interlocal agreements with other public agencies in Washington, public agencies in another state, or public agencies of the United States.

All interlocal agreements executed between two or more public agencies must, at a minimum, specify the:

- duration of the agreement;
- precise organization, composition, and nature of any separate legal or administrative entity created;
- purpose;
- financing and budget; and
- method by which to terminate the agreement.

If a separate legal entity is not created, the public agencies must form a joint board comprised of members from both agencies to cover the acquisition, holding, and disposal of real property.

In 2015 the federal government passed the Fixing America's Surface Transportation Act (FAST Act), which, in section 3019, authorized states to utilize cooperative procurement schedules. Under state cooperative procurement schedules, state governments may enter into a cooperative procurement contract, with one or more vendors, if the vendors agree to provide an option to purchase rolling stock and related equipment to the state government and any other participant and the state government acts as the lead procurement agency.

Under the FAST Act, a grantee may purchase rolling stock and related equipment from any state's cooperative procurement contract or schedule. Cooperative procurement schedules authorized by the FAST Act waive a number of administrative requirements previously mandated, including many provisions required as part of state interlocal agreements.

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**Summary of Bill:**

Transit agencies are exempted from certain interlocal agreement requirements, when purchasing rolling stock and related equipment from state cooperative procurement schedules established under section 3019 of the FAST Act.

Transit agencies are exempt from requirements to specify the:

- duration of the agreement;
- precise organization;
- composition and nature of any separate legal or administrative entity created;
- purpose;
- financing and budget;

- method by which to terminate the agreement; and
  - forming a joint board if a separate legal entity is not created.
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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) With this bill, Washington would be able to join with other states in order to purchase buses. Washington law is currently silent on the issue of procurement schedules, and this solve would fix that and allow for joining with other states.

This issue was brought to the Washington State Transit Association's attention by the State Auditor, because there was no interlocal agreement for procurements. This bill would allow small and medium transits to get the best bang for their buck.

(Opposed) None.

**Persons Testifying:** Senator Claudia Kauffman, prime sponsor; and Michael Shaw, Washington State Transit Association.

**Persons Signed In To Testify But Not Testifying:** None.