

# SENATE BILL REPORT

## SB 5342

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As Passed Senate, February 15, 2023

**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: 1/24/23, 1/26/23 [DP].

**Floor Activity:** Passed Senate: 2/15/23, 49-0.

**Brief Summary of Bill**

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

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass.

Signed by Senators Lias, Chair; Lovick, Vice Chair; Shewmake, Vice Chair; King, Ranking Member; Cleveland, Fortunato, Hawkins, Kauffman, Lovelett, MacEwen, Nobles, Padden, Randall, Valdez, Wilson, C. and Wilson, J..

**Staff:** Jenna Forty (786-7755)

**Background:** Public agencies are authorized to use interlocal agreements with other public agencies of any other state or of the United States to the extent legally permitted. Interlocal agreements executed between two or more public agencies must specify duration of the

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agreement, precise organization, composition and nature of any separate legal or administrative entity created, purpose, financing, and budget. If a separate legal entity is not created, entities must form a joint board comprised of members from both agencies to cover the acquisition, holding, or disposal of real property.

In 2015, the federal government passed the Fixing America's Surface Transportation Act (FAST), in which section 3019 modified Federal Transit Authority (FTA) parameters for innovative procurement and leasing, authorizing 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 prior law, FTA referred to these types of state contracts as state purchasing schedules and, as such, are only available to recipients within that state. Under FAST, a grantee may purchase rolling stock and related equipment from any state's cooperative procurement contract or schedule. Cooperative procurement schedules authorized by FAST waive a number of administrative requirements previously mandated under state and federal law, including many provisions required as part of state interlocal agreements. Current state law is silent on cooperative procurement schedules as outlined in FAST.

**Summary of Bill:** An exemption is established to certain interlocal agreement requirements for transit agencies when purchasing rolling stock and related equipment from state cooperative procurement schedules. Transit agencies are exempt from requirements to specify duration of the agreement, precise organization, composition and nature of any separate legal or administrative entity created, purpose, financing, and budget, as well as the requirement to form a joint board if a separate legal entity is not created.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill allows more clarity and opportunity for local agencies to purchase vehicles from around the country. Procurement and costs are some of the main issues facing Washington State transit. This bill will simplify and clarify auditing.

**Persons Testifying:** PRO: Senator Claudia Kauffman, Prime Sponsor; Justin Leighton, Washington State Transit Association.

**Persons Signed In To Testify But Not Testifying:** No one.