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**SUBSTITUTE SENATE BILL 5773**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Liias and King)

AN ACT Relating to alternative procurement and delivery models for transportation projects; amending RCW 47.56.030, 47.56.031, 70A.15.4030, 47.20.780, 47.20.785, 39.10.270, 39.10.280, and 43.131.408; adding a new chapter to Title 47 RCW; creating a new section; repealing RCW 47.29.010, 47.29.020, 47.29.030, 47.29.040, 47.29.050, 47.29.060, 47.29.070, 47.29.080, 47.29.090, 47.29.100, 47.29.110, 47.29.120, 47.29.130, 47.29.140, 47.29.150, 47.29.160, 47.29.170, 47.29.180, 47.29.190, 47.29.200, 47.29.210, 47.29.220, 47.29.230, 47.29.240, 47.29.250, 47.29.260, 47.29.270, 47.29.280, and 47.29.290; and providing an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1)(a) The legislature finds that a full set of project procurement, contracting, financing, and funding tools are needed to enable the delivery of transportation projects in a manner most advantageous to the public. Current public-private partnership laws have failed to spur innovative proposals from the private sector or new project delivery approaches from the department of transportation.

(b) The legislature confirms the findings from previous studies that current laws and administrative processes are the primary obstacle impairing the state's ability to utilize public-private partnerships. The legislature finds that a new public-private partnership law is needed to:

(i) Transparently demonstrate and deliver better value for the public including, but not limited to, expedited project delivery and more effective management of project life-cycle costs;

(ii) Provide an additional option for delivering complex transportation projects, including addressing a shortage of truck parking;

(iii) Incorporate private sector expertise and innovation into transportation project delivery;

(iv) Allocate project risks to the parties best able to manage those risks;

(v) Allow new sources of private capital;

(vi) Increase access to federal funding and financing mechanisms;

(vii) Better align private sector incentives with public priorities; and

(viii) Provide consistency in the review and approval processes for the full range of project delivery tools and contracting methods.

(2) The legislature further finds that there is a need to develop other innovative approaches to deliver transportation infrastructure in a manner that maximizes value and addresses the increasing costs of project delivery. Requiring mandatory review and approval of other alternative project delivery models available to the department of transportation stifles procurement and timely project delivery. Expanded and expedited use of alternative project delivery models, like progressive design-build and general contractor/construction manager procedures, without mandatory approval or review by the capital projects advisory review board will deliver better value for the public and provide the department of transportation with more options to deliver complex transportation projects. This will also give the department of transportation the needed flexibility to adapt to changing conditions, and result in fewer delays in project delivery. Any use of such delivery models should continue to strive and adhere to disadvantaged business enterprise and small business enterprise program contract goals.

**I. PUBLIC-PRIVATE PARTNERSHIPS**

NEW SECTION. **Sec.**  DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Commission" means the transportation commission.

(2) "Department" means the department of transportation.

(3) "Eligible transportation project" means any project, whether capital or operating, where the state's purpose for the project is to preserve or facilitate the safe transport of people or goods via any mode of travel.

(4) "Private sector partner" and "private partner" means a person, entity, or organization that is not the federal government, a state, or a political subdivision of a state.

(5) "Public funds" means all moneys derived from taxes, fees, charges, tolls, or other levies of money from the public.

(6) "Public sector partner" and "public partner" means any federal or state unit of government, bistate transportation organization, or any other political subdivision of any state.

(7) "State finance committee" means the entity created in chapter 43.33 RCW.

(8) "Unit of government" means any department or agency of the federal government, any state or agency, office, or department of a state, any city, county, district, commission, authority, entity, port, or other public corporation organized and existing under statutory law or under a voter-approved charter or initiative, and any intergovernmental entity created under chapter 39.34 RCW or this chapter.

NEW SECTION. **Sec.**  WASHINGTON STATE DEPARTMENT OF TRANSPORTATION POWERS AND DUTIES. (1) The department shall develop policies and, where appropriate, adopt rules to carry out this chapter and govern the use of public-private partnerships for transportation projects. At a minimum, the department's policies and rules must address the following issues:

(a) The types of projects allowed;

(b) Consistent with section 108 of this act, a process and methodology for determining whether a public-private partnership delivery model will be in the public's interest;

(c) Consistent with section 113 of this act, a process and methodology for determining whether a negotiated partnership agreement will result in greater public value to the state than if the project is delivered using other procurement and contracting methods;

(d) The types of contracts allowed, with consideration given to the best practices available;

(e) Minimum standards and criteria required of all proposals;

(f) Procedures for the proper identification, solicitation, acceptance, review, and evaluation of projects, consistent with existing project procurement and contracting requirements and practices;

(g) Criteria to be considered in the evaluation and selection of proposals that includes:

(i) Comparison with the department's internal ability to complete the project that documents the advantages of completing the project as a partnership versus solely as a public venture; and

(ii) Factors such as, but not limited to: Priority, life-cycle cost, risk sharing, scheduling, innovation, and management conditions;

(h) The protection of confidential proprietary information while still meeting the need for transparency and public disclosure that is consistent with section 113 of this act;

(i) Protection for local contractors to participate in subcontracting opportunities that is consistent with section 103(3) of this act;

(j) Specifying that maintenance issues must be resolved in a manner consistent with chapter 41.80 RCW;

(k) Guidelines to address security and performance issues.

(2) During its rule-making activities, the department must consult with the department's office of equity and civil rights.

(3) By September 1, 2026, the department must provide a report to the house of representatives and senate transportation committees on proposed policies and guidelines it intends to develop into administrative rules. Rules adopted by the department pursuant to this chapter may not take effect before January 1, 2027.

NEW SECTION. **Sec.**  APPLICABILITY OF OTHER TRANSPORTATION PROJECT GOVERNING PROVISIONS.

(1) For any eligible transportation project that requires the imposition of tolls on a state facility, the legislature must approve the imposition of such tolls consistent with RCW 47.56.820.

(2) For any eligible transportation project that requires setting or adjusting toll rates on a state facility, the commission has sole responsibility consistent with RCW 47.56.850.

(3)(a) If federal funds are provided for an eligible transportation project developed under this chapter, disadvantaged business enterprise inclusion requirements, as established, monitored, and administered by the department's office of equity and civil rights, apply.

(b) If no federal funds are provided for an eligible transportation project developed under this chapter, state laws, rates, and rules must govern, including the public works small business certification program pursuant to RCW 39.19.030(7) as monitored and administered by the department's office of equity and civil rights.

(4) All other transportation project procurement and contracting governing provisions and procedures that do not conflict with this chapter apply unless otherwise specified.

NEW SECTION. **Sec.**  PROJECT COST THRESHOLD FOR P3 EVALUATION. Any eligible transportation project with an estimated cost to the state of less than $500,000,000 may be evaluated for delivery under a public-private partnership model as prescribed under this chapter. Any eligible transportation project with an estimated cost to the state of $500,000,000 or more may only be evaluated for delivery under a public-private partnership model pursuant to this chapter if explicitly authorized by the legislature.

NEW SECTION. **Sec.**  ELIGIBLE FINANCING. (1) Subject to the limitations in this section, the department may, in connection with the evaluation of eligible transportation projects, consider any financing mechanisms from any lawful source, either integrated as part of a project proposal or as a separate, stand-alone proposal to finance a project. Financing may be considered for all or part of a proposed project. A project may be financed in whole or in part with:

(a) The proceeds of grant anticipation revenue bonds authorized under 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization and appropriation are required to use this source of financing;

(b) Grants, loans, loan guarantees, lines of credit, revolving lines of credit, or other financing arrangements available under the transportation infrastructure finance and innovation act under 23 U.S.C. Sec. 181 et seq., or any other applicable federal law, subject to legislative authorization and appropriation as required;

(c) Infrastructure loans or assistance from the state infrastructure bank established under RCW 82.44.195, subject to legislative authorization and appropriation as required;

(d) Federal, state, or local revenues, subject to appropriation by the applicable legislative authority;

(e) User fees, tolls, fares, lease proceeds, rents, gross or net receipts from sales, proceeds from the sale of development rights, franchise fees, or any other lawful form of consideration. However, projects financed by tolls must first be authorized by the legislature under RCW 47.56.820;

(f) Loans, pledges, or contributions of funds, including equity investments, from private entities;

(g) Revenue bonds, subject to legislative authorization and appropriation as required.

(2) Subject to subsection (4) of this section, the department may develop a plan of finance that would require either the state or a private partner, or both, to: Issue debt, equity, or other securities or obligations; enter into contracts, leases, concessions, and grant and loan agreements; or secure any financing with a pledge of funds to be appropriated by the legislature or with a lien or exchange of real property.

(3) As security for the payment of any financing, the revenues from the project may be pledged, but no such pledge of revenues constitutes in any manner or to any extent a general obligation of the state, unless specifically authorized by the legislature. Any financing described in this section may be structured on a senior, parity, or subordinate basis to any other financing.

(4) The department shall not execute any agreement with respect to an eligible transportation project, including any agreement that could materially impact the state's debt capacity or credit rating as determined by the state finance committee, without prior review and approval of the plan of finance and proposed financing terms by the state finance committee.

NEW SECTION. **Sec.**  USE OF FEDERAL FUNDS OR OTHER SOURCES. (1) The department may accept from the United States or any of its agencies such funds as are available to this state or to any other unit of government for carrying out the purposes of this chapter, whether the funds are made available by grant, loan, or other financing arrangement. The department may enter into such agreements and other arrangements with the United States or any of its agencies as may be necessary, proper, and convenient for carrying out the purposes of this chapter, subject to subsection (2) of this section.

(2)(a) The department may accept from any source any grant, donation, gift, or other form of conveyance of land, money, other real or personal property, or other valuable thing made to the state of Washington, the department, or a local government for carrying out the purposes of this chapter.

(b) Any eligible transportation project may be financed in whole or in part by contribution of any funds or property made by any private entity or public sector partner that is a party to any agreement entered into under this chapter.

NEW SECTION. **Sec.**  PUBLIC INTEREST FINDING. (1) The department may evaluate eligible transportation projects that are already programmed for other delivery methods to determine their appropriateness for delivery under a public-private partnership model.

(2) Before entering into a formal solicitation or procurement to develop a project as a public-private partnership, the department must make formal findings that utilizing a public-private partnership delivery method is in the public's interest. The department must adopt rules detailing the process and criteria for making such findings. At a minimum, the criteria must consider whether:

(a) Public ownership of the asset can be retained;

(b) Transparency during the consideration of a public-private partnership agreement can be provided;

(c) Public oversight of the private entity's management of the asset can be provided; and

(d) Additional criteria that reflects the legislative findings in section 1(1) of this act.

(3) Before commencing any solicitation to deliver the project as a public-private partnership, the department must provide an opportunity for public comment on the proposed project and delivery method.

(4) Upon a finding of public interest pursuant to subsection (2) of this section, the department must provide written notification of their finding of public interest and intent to deliver the project as a public-private partnership to the general public, to the chairs and ranking members of the transportation committees of the legislature, and to the governor.

(5) Upon a finding of public interest pursuant to subsection (2) of this section, the department may:

(a) Solicit concepts or proposals for the identified public-private partnership project from private entities and units of government;

(b) Evaluate the concepts or proposals received under this section. The evaluation under this subsection must include consultation with any appropriate unit of government; and

(c) Select potential projects based on the concepts or proposals.

NEW SECTION. **Sec.**  USE OF FUNDS FOR PROPOSAL PURPOSES. (1) Subject to the availability of amounts appropriated for this specific purpose, the department may spend such moneys as may be necessary for stipends for respondents to a solicitation, the evaluation of concepts or proposals for eligible transportation projects, and for negotiating agreements for eligible transportation projects authorized under this chapter. Expenses incurred by the department under this section before the issuance of transportation project bonds or other financing must be paid by the department and charged to the appropriate project. The department must keep records and accounts showing each charged amount.

(2) Unless otherwise provided in the omnibus transportation appropriations act, the funds spent by the department under this section in connection with the project must be repaid from the proceeds of the bonds or other financing upon the sale of transportation project bonds or upon obtaining other financing for an eligible transportation project, as allowed by law or contract.

NEW SECTION. **Sec.**  EXPERT CONSULTATION. The department may consult with legal, financial, technical, and other experts in the public and private sector in the evaluation, negotiation, and development of projects under this chapter.

NEW SECTION. **Sec.**  CONTRACTED STUDIES. In the absence of any direct federal funding or direction, the department may contract with a private developer of a selected project proposal to conduct environmental impact studies and engineering and technical studies.

NEW SECTION. **Sec.**  PARTNERSHIP AGREEMENTS. (1) The following provisions must be included in any transportation project agreement entered into under the authority of this chapter and to which the state is a party:

(a) For any project that proposes terms for stand alone maintenance or asset management services for a public facility, those services must be provided in a manner consistent with any collective bargaining agreements, chapter 41.80 RCW, and civil service laws that are in effect for the public facility;

(b) A finding of public interest, as issued by the department pursuant to section 107 of this act;

(c) If there is a tolling component to the project, it must be specified that the tolling technology used in the project must be consistent with tolling technology standards adopted by the department for transportation-related projects;

(d) Provisions for bonding, financial guarantees, deposits, or the posting of other security to secure the payment of laborers, subcontractors, and suppliers who perform work or provide materials as part of the project;

(e) All projects must be financed in a manner consistent with section 106 of this act.

(2) At a minimum, agreements between the state and private sector partners entered into under this section must specifically include the following contractual elements:

(a) The point in the project at which public and private sector partners will enter the project and which partners will assume responsibility for specific project elements;

(b) How the partners will share management of the risks of the project;

(c) The compensation method and amount for the private partner, establishing a maximum rate of return, and identifying how project revenue, if any, in excess of the maximum rate of return will be distributed;

(d) How the partners will share the costs of development of the project;

(e) How the partners will allocate financial responsibility for cost overruns;

(f) The penalties for nonperformance;

(g) The incentives for performance;

(h) The accounting and auditing standards to be used to evaluate work on the project;

(i) For any project that reverts to public ownership, the responsibility for reconstruction or renovations that are required for a facility to meet all service standards and state of good repair upon reversion of the facility to the state;

(j) Provisions and remedies for default by either party, and provisions for termination of the agreement for or without cause;

(k) Provisions for public communication and participation with respect to the development of the project.

NEW SECTION. **Sec.**  BEST VALUE FINDING AND AGREEMENT EXECUTION. Before executing an agreement under section 111 of this act, the department must make a formal finding that the negotiated partnership agreement is expected to result in best value for the public. The department must develop and adopt a process and criteria for measuring, determining, and transparently reporting best value relevant to the proposed project. At minimum, the criteria must include:

(1) A comparison of the total cost to deliver the project, including any operations and maintenance costs, as a public-private partnership compared to traditional or other alternative delivery methods available to the department;

(2) A comparison with the department's current plan, resources, delivery capacity, and schedule to complete the project that documents the advantages of completing the project as a public-private partnership versus solely as a public venture; and

(3) Factors such as, but not limited to: Priority, cost, risk sharing, scheduling, asset and service quality, innovation, and management conditions.

NEW SECTION. **Sec.**  CONFIDENTIALITY. A proposer must identify those portions of a proposal that the proposer considers to be confidential, proprietary information, or trade secrets and provide any justification as to why these materials, upon request, should not be disclosed by the department. Patent information will be covered until the patent expires. Other information, such as originality of design or records of negotiation, is protected under this section only until an agreement under section 112 of this act is reached. Eligible transportation projects under federal jurisdiction or using federal funds must conform to federal regulations under the freedom of information act.

NEW SECTION. **Sec.**  PREVAILING WAGES. If public funds are used to pay any costs of construction of a public facility that is part of an eligible transportation project, chapter 39.12 RCW applies to the entire eligible transportation project.

NEW SECTION. **Sec.**  GOVERNMENT AGREEMENTS. The state may, either separately or in combination with any other public sector partner, enter into working agreements, coordination agreements, or similar implementation agreements, including the formation of bistate transportation organizations, to carry out the joint implementation and operation of an eligible transportation project selected under this chapter. The state may enter into agreements with other units of government or Canadian provinces for transborder transportation projects.

NEW SECTION. **Sec.**  EMINENT DOMAIN. The state may exercise the power of eminent domain to acquire property, easements, or other rights or interests in property for projects that are necessary to implement an eligible transportation project developed under this chapter. Any property acquired pursuant to this section must be owned in fee simple by the state.

NEW SECTION. **Sec.**  FEDERAL LAWS. Applicable federal laws, rules, and regulations govern in any situation that involves federal funds if the federal laws, rules, or regulations:

(1) Conflict with any provision of this chapter;

(2) Require procedures that are additional to or inconsistent with those provided in this chapter; or

(3) Require contract provisions not authorized in this chapter.

NEW SECTION. **Sec.**  PUBLIC-PRIVATE PARTNERSHIPS ACCOUNT. (1) The public-private partnerships account is created in the custody of the state treasurer.

(2) The following moneys must be deposited into the account:

(a) Proceeds from bonds or other financing instruments;

(b) Revenues received from any transportation project developed under this chapter or developed under the general powers granted to the department; and

(c) Any other moneys that are by donation, grant, contract, law, or other means transferred, allocated, or appropriated to the account.

(3) Expenditures from the account may be used only for the planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, preservation, management, repair, or operation of any eligible transportation project under this chapter.

(4) The state treasurer may establish separate subaccounts within the public-private partnerships account for each transportation project that is initiated under this chapter or under the general powers granted to the department. The state may pledge moneys in the public-private partnerships account to secure revenue bonds or any other debt obligations relating to the project for which the account is established.

(5) Only the secretary or the secretary's designee may authorize distributions from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

**Sec.**  RCW 47.56.030 and 2023 c 429 s 6 are each amended to read as follows:

(1) Except as permitted under chapter ((~~47.29~~)) 47.--- RCW (the new chapter created in section 402 of this act) or 47.46 RCW:

(a) Unless otherwise delegated, and subject to RCW 47.56.820, the department of transportation shall have full charge of the planning, analysis, and construction of all toll bridges and other toll facilities including the Washington state ferries, and the operation and maintenance thereof.

(b) The transportation commission shall determine and establish the tolls and charges thereon.

(c) Unless otherwise delegated, and subject to RCW 47.56.820, the department shall have full charge of planning, analysis, and design of all toll facilities. The department may conduct the planning, analysis, and design of toll facilities as necessary to support the legislature's consideration of toll authorization.

(d) The department shall utilize and administer toll collection systems that are simple, unified, and interoperable. To the extent practicable, the department shall avoid the use of toll booths. The department shall set the statewide standards and protocols for all toll facilities within the state, including those authorized by local authorities.

(e) Except as provided in this section, the department shall proceed with the construction of such toll bridges and other facilities and the approaches thereto by contract in the manner of state highway construction immediately upon there being made available funds for such work and shall prosecute such work to completion as rapidly as practicable. The department is authorized to negotiate contracts for any amount without bid under (e)(i) and (ii) of this subsection:

(i) Emergency contracts, in order to make repairs to ferries or ferry terminal facilities or removal of such facilities whenever continued use of ferries or ferry terminal facilities constitutes a real or immediate danger to the traveling public or precludes prudent use of such ferries or facilities; and

(ii) Single source contracts for vessel dry dockings, when there is clearly and legitimately only one available bidder to conduct dry dock-related work for a specific class or classes of vessels. The contracts may be entered into for a single vessel dry docking or for multiple vessel dry dockings for a period not to exceed two years.

(f) Any new vessel planning, construction, purchase, analysis, or design work must be consistent with RCW 47.60.810, except as otherwise provided in RCW 47.60.826.

(2) The department shall proceed with the procurement of materials, supplies, services, and equipment needed for the support, maintenance, and use of a ferry, ferry terminal, or other facility operated by Washington state ferries, in accordance with chapter 43.19 RCW except as follows:

(a) When the secretary of the department of transportation determines in writing that the use of invitation for bid is either not practicable or not advantageous to the state and it may be necessary to make competitive evaluations, including technical or performance evaluations among acceptable proposals to complete the contract award, a contract may be entered into by use of a competitive sealed proposals method, and a formal request for proposals solicitation. Such formal request for proposals solicitation shall include a functional description of the needs and requirements of the state and the significant factors.

(b) When purchases are made through a formal request for proposals solicitation the contract shall be awarded to the responsible proposer whose competitive sealed proposal is determined in writing to be the most advantageous to the state taking into consideration price and other evaluation factors set forth in the request for proposals. No significant factors may be used in evaluating a proposal that are not specified in the request for proposals. Factors that may be considered in evaluating proposals include but are not limited to: Price; maintainability; reliability; commonality; performance levels; life-cycle cost if applicable under this section; cost of transportation or delivery; delivery schedule offered; installation cost; cost of spare parts; availability of parts and service offered; and the following:

(i) The ability, capacity, and skill of the proposer to perform the contract or provide the service required;

(ii) The character, integrity, reputation, judgment, experience, and efficiency of the proposer;

(iii) Whether the proposer can perform the contract within the time specified;

(iv) The quality of performance of previous contracts or services;

(v) The previous and existing compliance by the proposer with laws relating to the contract or services;

(vi) Objective, measurable criteria defined in the request for proposal. These criteria may include but are not limited to items such as discounts, delivery costs, maintenance services costs, installation costs, and transportation costs; and

(vii) Such other information as may be secured having a bearing on the decision to award the contract.

(c) When purchases are made through a request for proposal process, proposals received shall be evaluated based on the evaluation factors set forth in the request for proposal. When issuing a request for proposal for the procurement of propulsion equipment or systems that include an engine, the request for proposal must specify the use of a life-cycle cost analysis that includes an evaluation of fuel efficiency. When a life-cycle cost analysis is used, the life-cycle cost of a proposal shall be given at least the same relative importance as the initial price element specified in the request of proposal documents. The department may reject any and all proposals received. If the proposals are not rejected, the award shall be made to the proposer whose proposal is most advantageous to the department, considering price and the other evaluation factors set forth in the request for proposal.

**Sec.**  RCW 47.56.031 and 2005 c 335 s 2 are each amended to read as follows:

No tolls may be imposed on new or existing highways or bridges without specific legislative authorization, or upon a majority vote of the people within the boundaries of the unit of government empowered to impose tolls. This section applies to chapter 47.56 RCW and to any tolls authorized under chapter ((~~47.29 RCW, the transportation innovative partnership act of 2005~~)) 47.--- RCW (the new chapter created in section 402 of this act).

**Sec.**  RCW 70A.15.4030 and 2020 c 20 s 1126 are each amended to read as follows:

(1) A county, city, or town may, as part of its commute trip reduction plan, designate existing activity centers listed in its comprehensive plan or new activity centers as growth and transportation efficiency centers and establish a transportation demand management program in the designated area.

(a) The transportation demand management program for the growth and transportation efficiency center shall be developed in consultation with local transit agencies, the applicable regional transportation planning organization, major employers, and other interested parties.

(b) In order to be eligible for state funding provided for the purposes of this section, designated growth and transportation efficiency centers shall be certified by the applicable regional transportation organization to: (i) Meet the minimum land use and transportation criteria established in collaboration among local jurisdictions, transit agencies, the regional transportation planning organization, and other interested parties as part of the regional commute trip reduction plan; and (ii) have established a transportation demand management program that includes the elements identified in (c) of this subsection and is consistent with the rules established by the department of transportation in RCW 70A.15.4060(2). If a designated growth and transportation efficiency center is denied certification, the local jurisdiction may appeal the decision to the commute trip reduction board.

(c) Transportation demand management programs for growth and transportation efficiency centers shall include, but are not limited to: (i) Goals for reductions in the proportion of single-occupant vehicle trips that are more aggressive than the state program goal established by the commute trip reduction board; (ii) a sustainable financial plan demonstrating how the program can be implemented to meet state and regional trip reduction goals, indicating resources from public and private sources that are reasonably expected to be made available to carry out the plan, and recommending any innovative financing techniques consistent with chapter ((~~47.29 RCW~~)) 47.--- RCW (the new chapter created in section 402 of this act), including public/private partnerships, to finance needed facilities, services, and programs; (iii) a proposed organizational structure for implementing the program; (iv) a proposal to measure performance toward the goal and implementation progress; and (v) an evaluation to which local land use and transportation policies apply, including parking policies and ordinances, to determine the extent that they complement and support the trip reduction investments of major employers. Each of these program elements shall be consistent with the rules established under RCW 70A.15.4060.

(d) A designated growth and transportation efficiency center shall be consistent with the land use and transportation elements of the local comprehensive plan.

(e) Transit agencies, local governments, and regional transportation planning organizations shall identify certified growth and transportation efficiency centers as priority areas for new service and facility investments in their respective investment plans.

(2) A county, city, or town that has established a growth and transportation efficiency center program shall support vehicle trip reduction activities in the designated area. The implementing jurisdiction shall adopt policies, ordinances, and funding strategies that will lead to attainment of program goals in those areas.

**II. PROGRESSIVE DESIGN-BUILD AND**

**GENERAL CONTRACTOR/CONSTRUCTION MANAGER**

**Sec.**  RCW 47.20.780 and 2015 3rd sp.s. c 18 s 1 are each amended to read as follows:

(1) The department of transportation shall develop a process for awarding competitively bid highway construction contracts for projects over ((~~two million dollars~~)) $2,000,000 that may be constructed using a design-build procedure, a progressive design-build procedure, or any general contractor/construction manager procedure.

(2) As used in this section and RCW 47.20.785((~~, "design-build~~)):

(a) "Design-build procedure" means a method of contracting under which the department of transportation contracts with another party for the party to both design and build the structures, facilities, and other items specified in the contract.

(b) "General contractor/construction manager procedure" means a method of contracting under which the department of transportation selects a firm to provide services during the design phase, negotiate a maximum allowable construction cost, and act as construction manager and general contractor during the construction phase.

(c) "Progressive design-build procedure" means a method of contracting under which the department of transportation selects a design-builder before the establishment of a final project design, price, and schedule, and thereafter, the department and design-builder collaborate to develop a final project scope, schedule, and price.

(3) The process developed by the department must, at a minimum, include ((~~the~~)): The scope of services required under the design-build procedure, progressive design-build procedure, or general contractor/construction manager procedures; contractor prequalification requirements((~~,~~)); criteria for evaluating technical information and project costs((~~,~~)); contractor selection criteria((~~,~~)); and issue resolution procedures.

(4) Until June 30, 2031, upon completing a delivery method selection process that identifies the progressive design-build procedure or any general contract/construction manager procedure as the preferred delivery method for a project in excess of $100,000,000, the department shall consult with the capital projects advisory review board under chapter 39.10 RCW to review the selected delivery method for the project and provide any recommendations or feedback for the department to consider. The department and the capital projects advisory review board shall collaboratively develop and implement the coordination and details of this consultation.

**Sec.**  RCW 47.20.785 and 2015 3rd sp.s. c 18 s 2 are each amended to read as follows:

The department of transportation is authorized and strongly encouraged to use the design-build procedure, the progressive design-build procedure, or any general contractor/construction manager procedure for public works projects over ((~~two million dollars~~)) $2,000,000 when:

(1) The construction activities are highly specialized and a design-build, progressive design-build, or general contractor/construction manager approach is critical in developing the construction methodology; or

(2) The projects selected provide opportunity for greater innovation and efficiencies between the designer and the builder; or

(3) Significant savings in project delivery time would be realized.

**Sec.**  RCW 39.10.270 and 2019 c 212 s 3 are each amended to read as follows:

(1) A public body may apply for certification to use the design-build or general contractor/construction manager contracting procedure, or both. Once certified, a public body may use the contracting procedure for which it is certified on individual projects without seeking committee approval for a period of three years. A public body seeking certification must submit to the committee an application in a format and manner as prescribed by the committee. The application must include a description of the public body's qualifications, its capital plan during the certification period, and its intended use of alternative contracting procedures.

(2) A public body seeking certification for the design-build procedure must demonstrate successful management of at least one design-build project within the previous five years. A public body seeking certification for the general contractor/construction manager procedure must demonstrate successful management of at least one general contractor/construction manager project within the previous five years.

(3) To certify a public body, the committee shall determine that the public body:

(a) Has the necessary experience and qualifications to determine which projects are appropriate for using alternative contracting procedures;

(b) Has the necessary experience and qualifications to carry out the alternative contracting procedure including, but not limited to: (i) Project delivery knowledge and experience; (ii) personnel with appropriate construction experience; (iii) a management plan and rationale for its alternative public works projects; (iv) demonstrated success in managing public works projects; (v) the ability to properly manage its capital facilities plan including, but not limited to, appropriate project planning and budgeting experience; and (vi) the ability to meet requirements of this chapter; and

(c) Has resolved any audit findings on previous public works projects in a manner satisfactory to the committee.

(4) The committee shall make its determination at the public meeting during which an application for certification is reviewed. Public comments must be considered before a determination is made. Within ten business days of the public meeting, the committee shall provide a written determination to the public body, and make its determination available to the public on the committee's website.

(5) The committee may revoke any public body's certification upon a finding, after a public hearing, that its use of design-build or general contractor/construction manager contracting procedures no longer serves the public interest.

(6) The committee may renew the certification of a public body for additional three-year periods. The public body must submit an application for recertification at least three months before the initial certification expires. The committee may accept late applications, if administratively feasible, to avoid expiration of certification on a case-by-case basis. The application shall include updated information on the public body's experience and current staffing with the procedure it is applying to renew, and any other information requested in advance by the committee. The committee must review the application for recertification at a meeting held before expiration of the applicant's initial certification period. A public body must reapply for certification under the process described in subsection (1) of this section once the period of recertification expires.

(7) Certified public bodies must submit project data information as required in RCW 39.10.320 and 39.10.350.

(8) The department of transportation is not subject to the certification requirements under this section to use the design-build procedure, the progressive design-build procedure, or any general contractor/construction manager contracting procedure on individual projects.

**Sec.**  RCW 39.10.280 and 2014 c 42 s 2 are each amended to read as follows:

(1) A public body not certified under RCW 39.10.270 must apply for approval from the committee to use the design-build or general contractor/construction manager contracting procedure on a project. A public body seeking approval must submit to the committee an application in a format and manner as prescribed by the committee. The application must include a description of the public body's qualifications, a description of the project, the public body's intended use of alternative contracting procedures, and, if applicable, a declaration that the public body has elected to procure the project as a heavy civil construction project.

(2) To approve a proposed project, the committee shall determine that:

(a) The alternative contracting procedure will provide a substantial fiscal benefit or the use of the traditional method of awarding contracts in lump sum to the low responsive bidder is not practical for meeting desired quality standards or delivery schedules;

(b) The proposed project meets the requirements for using the alternative contracting procedure as described in RCW 39.10.300 or 39.10.340;

(c) The public body has the necessary experience or qualified team to carry out the alternative contracting procedure including, but not limited to: (i) Project delivery knowledge and experience; (ii) sufficient personnel with construction experience to administer the contract; (iii) a written management plan that shows clear and logical lines of authority; (iv) the necessary and appropriate funding and time to properly manage the job and complete the project; (v) continuity of project management team, including personnel with experience managing projects of similar scope and size to the project being proposed; and (vi) necessary and appropriate construction budget;

(d) For design-build projects, public body personnel or consultants are knowledgeable in the design-build process and are able to oversee and administer the contract; and

(e) The public body has resolved any audit findings related to previous public works projects in a manner satisfactory to the committee.

(3) The committee shall, if practicable, make its determination at the public meeting during which a submittal is reviewed. Public comments must be considered before a determination is made.

(4) Within ((~~ten~~)) 10 business days after the public meeting, the committee shall provide a written determination to the public body, and make its determination available to the public on the committee's website. If the committee fails to make a written determination within ((~~ten~~)) 10 business days of the public meeting, the request of the public body to use the alternative contracting procedure on the requested project shall be deemed approved.

(5) Failure of the committee to meet within ((~~sixty~~)) 60 calendar days of a public body's application to use an alternative contracting procedure on a project shall be deemed an approval of the application.

(6) The department of transportation is not subject to the project approval requirements under this section.

**Sec.**  RCW 43.131.408 and 2023 c 395 s 36 are each amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2032:

(1) RCW 39.10.200 and 2023 c 395 s 4, 2010 1st sp.s. c 21 s 2, 2007 c 494 s 1, & 1994 c 132 s 1;

(2) RCW 39.10.210 and 2023 c 395 s 5, 2021 c 230 s 1, 2019 c 212 s 1, 2014 c 42 s 1, & 2013 c 222 s 1;

(3) RCW 39.10.220 and 2023 c 395 s 6, 2021 c 230 s 2, 2013 c 222 s 2, 2007 c 494 s 102, & 2005 c 377 s 1;

(4) RCW 39.10.230 and 2023 c 395 s 7, 2021 c 230 s 3, 2013 c 222 s 3, 2010 1st sp.s. c 21 s 3, 2009 c 75 s 1, 2007 c 494 s 103, & 2005 c 377 s 2;

(5) RCW 39.10.240 and 2023 c 395 s 8, 2021 c 230 s 4, 2013 c 222 s 4, & 2007 c 494 s 104;

(6) RCW 39.10.250 and 2021 c 230 s 5, 2019 c 212 s 2, 2013 c 222 s 5, 2009 c 75 s 2, & 2007 c 494 s 105;

(7) RCW 39.10.260 and 2013 c 222 s 6 & 2007 c 494 s 106;

(8) RCW 39.10.270 and 2025 c ... s 203 (section 203 of this act), 2019 c 212 s 3, 2017 c 211 s 1, 2013 c 222 s 7, 2009 c 75 s 3, & 2007 c 494 s 107;

(9) RCW 39.10.280 and 2025 c ... s 204 (section 204 of this act), 2014 c 42 s 2, 2013 c 222 s 8, & 2007 c 494 s 108;

(10) RCW 39.10.290 and 2007 c 494 s 109;

(11) RCW 39.10.300 and 2021 c 230 s 6, 2019 c 212 s 4, 2013 c 222 s 9, 2009 c 75 s 4, & 2007 c 494 s 201;

(12) RCW 39.10.320 and 2019 c 212 s 5, 2013 c 222 s 10, 2007 c 494 s 203, & 1994 c 132 s 7;

(13) RCW 39.10.330 and 2023 c 395 s 9, 2021 c 230 s 7, 2019 c 212 s 6, 2014 c 19 s 1, 2013 c 222 s 11, 2009 c 75 s 5, & 2007 c 494 s 204;

(14) RCW 39.10.340 and 2014 c 42 s 3, 2013 c 222 s 12, & 2007 c 494 s 301;

(15) RCW 39.10.350 and 2021 c 230 s 8, 2014 c 42 s 4, & 2007 c 494 s 302;

(16) RCW 39.10.360 and 2023 c 395 s 10, 2021 c 230 s 9, 2014 c 42 s 5, 2013 c 222 s 13, 2009 c 75 s 6, & 2007 c 494 s 303;

(17) RCW 39.10.370 and 2021 c 230 s 10, 2014 c 42 s 6, & 2007 c 494 s 304;

(18) RCW 39.10.380 and 2023 c 395 s 11, 2021 c 230 s 11, 2013 c 222 s 14, & 2007 c 494 s 305;

(19) RCW 39.10.385 and 2023 c 395 s 12, 2021 c 230 s 12, 2013 c 222 s 15, & 2010 c 163 s 1;

(20) RCW 39.10.390 and 2021 c 230 s 13, 2014 c 42 s 7, 2013 c 222 s 16, & 2007 c 494 s 306;

(21) RCW 39.10.400 and 2021 c 230 s 14, 2013 c 222 s 17, & 2007 c 494 s 307;

(22) RCW 39.10.410 and 2007 c 494 s 308;

(23) RCW 39.10.420 and 2019 c 212 s 7, 2017 c 136 s 1, & 2016 c 52 s 1;

(24) RCW 39.10.430 and 2021 c 230 s 15, 2019 c 212 s 8, & 2007 c 494 s 402;

(25) RCW 39.10.440 and 2021 c 230 s 16, 2019 c 212 s 9, 2015 c 173 s 1, 2013 c 222 s 19, & 2007 c 494 s 403;

(26) RCW 39.10.450 and 2019 c 212 s 10, 2012 c 102 s 2, & 2007 c 494 s 404;

(27) RCW 39.10.460 and 2021 c 230 s 17, 2012 c 102 s 3, & 2007 c 494 s 405;

(28) RCW 39.10.470 and 2019 c 212 s 11, 2014 c 19 s 2, 2005 c 274 s 275, & 1994 c 132 s 10;

(29) RCW 39.10.480 and 1994 c 132 s 9;

(30) RCW 39.10.490 and 2021 c 230 s 18, 2013 c 222 s 20, 2007 c 494 s 501, & 2001 c 328 s 5;

(31) RCW 39.10.900 and 1994 c 132 s 13;

(32) RCW 39.10.901 and 1994 c 132 s 14;

(33) RCW 39.10.903 and 2007 c 494 s 510;

(34) RCW 39.10.904 and 2007 c 494 s 512;

(35) RCW 39.10.905 and 2007 c 494 s 513; and

(36) RCW 39.10.908 and 2023 c 395 s 13 and 2021 c 230 s 19.

**III. ALLIANCE CONTRACTING**

NEW SECTION. **Sec.**  The joint transportation committee, in collaboration with the department of transportation, must evaluate the alliance contracting procedure as a potential alternative contracting procedure for delivering transportation-related projects. By July 1, 2027, the joint transportation committee must submit an evaluation report to the transportation committees of the legislature, including any findings and recommended statutory changes. For purposes of this section, "alliance contracting procedure" means a method of contracting under which the department of transportation and one or more service providers, including the designers and constructors, collaborate on the delivery of a project using contractually established financial incentives to encourage project performance and cooperation among all participants.

**IV. MISCELLANEOUS**

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1) RCW 47.29.010 (Finding—Intent) and 2006 c 334 s 48 & 2005 c 317 s 1;

(2) RCW 47.29.020 (Definitions) and 2005 c 317 s 2;

(3) RCW 47.29.030 (Transportation commission powers and duties) and 2005 c 317 s 3;

(4) RCW 47.29.040 (Purpose) and 2005 c 317 s 4;

(5) RCW 47.29.050 (Eligible projects) and 2005 c 317 s 5;

(6) RCW 47.29.060 (Eligible financing) and 2008 c 122 s 18 & 2005 c 317 s 6;

(7) RCW 47.29.070 (Use of federal funds and similar revenues) and 2005 c 317 s 7;

(8) RCW 47.29.080 (Other sources of funds or property) and 2005 c 317 s 8;

(9) RCW 47.29.090 (Project review, evaluation, and selection) and 2005 c 317 s 9;

(10) RCW 47.29.100 (Administrative fee) and 2005 c 317 s 10;

(11) RCW 47.29.110 (Funds for proposal evaluation and negotiation) and 2005 c 317 s 11;

(12) RCW 47.29.120 (Expert consultation) and 2005 c 317 s 12;

(13) RCW 47.29.130 (Contracted studies) and 2005 c 317 s 13;

(14) RCW 47.29.140 (Partnership agreements) and 2005 c 317 s 14;

(15) RCW 47.29.150 (Public involvement and participation) and 2005 c 317 s 15;

(16) RCW 47.29.160 (Approval and execution) and 2005 c 317 s 16;

(17) RCW 47.29.170 (Unsolicited proposals) and 2017 c 313 s 711, 2015 1st sp.s. c 10 s 704, 2013 c 306 s 708, 2011 c 367 s 701, 2009 c 470 s 702, 2007 c 518 s 702, 2006 c 370 s 604, & 2005 c 317 s 17;

(18) RCW 47.29.180 (Advisory committees) and 2005 c 317 s 18;

(19) RCW 47.29.190 (Confidentiality) and 2005 c 317 s 19;

(20) RCW 47.29.200 (Prevailing wages) and 2005 c 317 s 20;

(21) RCW 47.29.210 (Government agreements) and 2005 c 317 s 21;

(22) RCW 47.29.220 (Eminent domain) and 2005 c 317 s 22;

(23) RCW 47.29.230 (Transportation innovative partnership account) and 2005 c 317 s 23;

(24) RCW 47.29.240 (Use of account) and 2005 c 317 s 24;

(25) RCW 47.29.250 (Issuing bonds and other obligations) and 2005 c 317 s 25;

(26) RCW 47.29.260 (Study and report) and 2005 c 317 s 26;

(27) RCW 47.29.270 (Federal laws) and 2005 c 317 s 27;

(28) RCW 47.29.280 (Expert review panel on proposed project agreements—Creation—Authority) and 2006 c 334 s 49; and

(29) RCW 47.29.290 (Expert review panel on proposed project agreements—Execution of agreements) and 2006 c 334 s 50.

NEW SECTION. **Sec.**  Sections 101 through 118 of this act constitute a new chapter in Title 47 RCW.

NEW SECTION. **Sec.**  Sections 101 through 118 and 401 of this act take effect July 1, 2026.

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