

SENATE BILL REPORT

SB 5710

As of February 24, 2025

Title: An act relating to addressing diesel vessel procurement at the Washington state ferries.

Brief Description: Addressing diesel vessel procurement at the Washington state ferries.

Sponsors: Senators MacEwen and Dozier.

Brief History:

Committee Activity: Transportation: 2/24/25.

Brief Summary of Bill

- Authorizes the acquisition of clean diesel ferries.
- Creates a new procurement process allowing up to two contracts to be awarded.
- Authorizes use of various procurement options.
- Awards a credit in bidders within the state of Washington.
- Requires the Department of Transportation not restrict delivery method of the vessels.
- Allows the Department of Transportation to postpone conversion of Jumbo Mark II vessels.
- Exempts Washington State Ferries from current procurement statutes.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Jenna Forty (786-7755)

Background: The Washington State Ferries (WSF) Long Range Plan recommended a fleet size of 26 vessels by 2040. The current fleet is 21 vessels. The Olympic class vessels were

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the most recently constructed, with four vessels delivered from 2014 to 2018. In 2019, a contract extension was authorized by the Legislature for five hybrid electric Olympic class ferries. Contract negotiations were unsuccessful and the contract was terminated in 2022. The first hybrid electric Olympic class vessel was initially planned for delivery in 2023, as part of both the Long Range and System Electrification plans to replace the aging Evergreen State and Super class vessels. In 2023, the Legislature authorized procurement of the five new hybrid Olympic class ferries through a modified procurement method allowing multiple contracts and granting a 13 percent credit to bidders located in Washington State. The invitation for bid (IFB) is currently active for the procurement, with bids anticipated in April 2025. System plans call for a new class of four 124 car vessels to replace the Issaquah class with delivery starting 2027; however, there are six total vessels in the Issaquah class. WSF is in the process of converting the Jumbo Mark II class vessels to hybrid electric propulsion, with the first scheduled to be finished May 2025 and the two others scheduled to follow.

Under current law, new vessel procurement requires WSF use a design-build approach to acquire new vessels, and only a single contract may be awarded. Statutes require a three step design-build process for the procurement and require that all vessels be built in Washington. WSF is required to accept the lowest price bid, unless bids received are 5 percent more than the engineer's estimate, in which case all bids are rejected and a new request-for-proposal (RFP) must be issued not subject to the requirement of building within Washington State. Statute requires that WSF hire a third-party independent owners representative to act as an intermediary between WSF and bid proposers, and subsequently the successful proposer.

Summary of Bill: Procurement of clean diesel vessels to replace the Issaquah class is authorized, using design-build, design-bid build, or lease-to-own options. The procurement allows for up to two contracts to be awarded, with a minimum of two vessels per contract. WSF must award a 13 percent credit to bidders located in Washington State and may not limit the type of transportation used for the delivery of any vessels part of the procurement.

WSF is instructed to postpone the conversion of the second and third Jumbo Mark II class vessels, pending the completion of the first vessel and has been proven effective.

The procurement is exempted from certain current law requirements.

Appropriation: None.

Fiscal Note: Requested on February 17, 2025.

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

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: More vessels are needed and conversions need to be delayed to deliver more reliable service.

Support postponing electrification because we need all the funding for new boats. Only having one boat on Bremerton really effects communities on the Kitsap Peninsula.

Ferries needed \$82 million in federal funds due to decreased ridership. Five vessels with unanticipated corrosion over the last several years. Status reports on boats are required at the time of budget submittal and ferries has not submitted one.

On the current timeline we will likely only get one additional vessel by 2040. The ferry system needs to move forward with vessels that are flexible across the system. Clean diesel is lower up front cost and cheaper to fund and easier to maintain.

Persons Testifying: PRO: Senator Drew MacEwen, Prime Sponsor; Pete Brady; Daniel Hodun; Charles Prestrud, Washington Policy Center.

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