SENATE BILL 5992

State of Washington 66th Legislature 2019 Regular Session

By Senators Nguyen, Lovelett, Sheldon, Bailey, and Hobbs

- 1 AN ACT Relating to state ferry funding; and amending RCW
- 2 47.60.810 and 47.60.315.

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- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 47.60.810 and 2015 3rd sp.s. c 14 s 3 are each 5 amended to read as follows:
 - (1) Except as provided in subsection (3) of this section, the department shall use a modified request for proposals process when purchasing new auto ferries, except for new 144-auto ferries purchased through an option on a contract executed before July 6, 2015, whereby the prevailing shipbuilder and the department engage in a design and build partnership for the design and construction of the auto ferries. The process consists of the three phases described in subsection (((3))) (4) of this section.
- (2) Throughout the three phases described in subsection $((\frac{3}{3}))$ 14 15 (4) of this section, the department shall employ an independent 16 owner's representative to serve as a third-party intermediary between 17 the department and the proposers, and subsequently the successful 18 proposer. However, this representative shall serve only during the 19 development and construction of the first vessel constructed as part 20 a new class of vessels developed after July 6, 2015. 21 independent owner's representative shall:

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- 1 (a) Serve as the department's primary advocate and communicator 2 with the proposers and successful proposer;
 - (b) Perform project quality oversight;
 - (c) Manage any change order requests;

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- 5 (d) Ensure that the contract is adhered to and the department's 6 best interests are considered in all decisions; and
 - (e) Possess knowledge of and experience with inland waterways, Puget Sound vessel operations, the propulsion system of the new vessels, and Washington state ferries operations.
- 10 (3) The department may modify an existing option contract
 11 executed prior to July 6, 2015, to allow for the purchase of up to
 12 five additional class 144-auto ferries, for a total of nine 144-auto
 13 ferries.
- 14 $\underline{(4)}$ The definitions in this subsection apply throughout RCW 15 47.60.812 through 47.60.822.
- 16 (a) "Phase one" means the evaluation and selection of proposers 17 to participate in development of technical proposals in phase two.
- 18 (b) "Phase two" means the preparation of technical proposals by 19 the selected proposers in consultation with the department.
- 20 (c) "Phase three" means the submittal and evaluation of bids, the 21 award of the contract to the successful proposer, and the design and 22 construction of the auto ferries.
- 23 **Sec. 2.** RCW 47.60.315 and 2011 1st sp.s. c 16 s 3 are each amended to read as follows:
 - (1) The commission shall adopt fares and pricing policies by rule, under chapter 34.05 RCW, according to the following schedule:
 - (a) Each year the department shall provide the commission a report of its review of fares and pricing policies, with recommendations for the revision of fares and pricing policies for the ensuing year;
- 31 (b) By September 1st of each year, beginning in 2008, the 32 commission shall adopt by rule fares and pricing policies for the 33 ensuing year.
- 34 (2) The commission may adopt by rule fares that are effective for 35 more or less than one year for the purposes of transitioning to the 36 fare schedule in subsection (1) of this section.
- 37 (3) The commission may increase ferry fares included in the 38 schedule of charges adopted under this section by a percentage that 39 exceeds the fiscal growth factor.

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(4) The chief executive officer of the ferry system may authorize the use of promotional, discounted, and special event fares to the general public and commercial enterprises for the purpose of maximizing capacity use and the revenues collected by the ferry system. The department shall report to the commission a summary of the promotional, discounted, and special event fares offered during each fiscal year and the financial results from these activities.

- (5) Fare revenues and other revenues deposited in the Puget Sound ferry operations account created in RCW 47.60.530 may not be used to support the Puget Sound capital construction account created in RCW 47.60.505, unless the support for capital is separately identified in the fare.
- (6) The commission may not raise fares until the fare rules contain pricing policies developed under RCW 47.60.290, or September 1, 2009, whichever is later.
 - (7) The commission shall impose a vessel replacement surcharge of twenty-five cents on every one-way and round-trip ferry fare sold, including multiride and monthly pass fares. This surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself.
 - (8) By October 31, 2019, the commission shall impose an additional vessel replacement surcharge of fifty cents on every one-way and round-trip ferry fare sold, including multiride and monthly pass fares. This surcharge must be clearly indicated to ferry passengers and drivers and, if possible, on the fare media itself.

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