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SENATE BILL 6061

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State of Washington

65th Legislature

2018 Regular Session

By Senator Lias

Prefiled 12/29/17.

1 AN ACT Relating to the conversion of a diesel powered ferry to  
2 the use of liquefied natural gas; adding a new section to chapter  
3 47.60 RCW; creating a new section; providing an effective date; and  
4 declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the use of  
7 liquefied natural gas as a fuel source reduces carbon and other toxic  
8 emissions and offers an environmentally sound fuel source for the  
9 Washington state ferry system. Further, the legislature recognizes  
10 that the maritime industry has embraced liquefied natural gas as a  
11 fuel and that the industry has the capability to supply liquefied  
12 natural gas to the Washington state ferry system in sufficient and  
13 dependable amounts to meet the operational mandates of the system.  
14 The legislature also finds that the state has been unable to fund a  
15 liquefied natural gas conversion using currently available public  
16 resources. Therefore, it is the intent of the legislature with this  
17 act to convert one diesel powered Washington state ferry to the use  
18 of liquefied natural gas as a fuel source.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.60  
20 RCW to read as follows:

1 (1) For the purposes of this section:

2 (a) "Department" means the department of transportation and the  
3 Washington state ferry system.

4 (b) "Design-build, finance, and supply contract" means a contract  
5 in which the responsibility for the design, construction, financing,  
6 and fuel supply of the vessel lies totally with the successful  
7 bidder.

8 (c) "Fixed-price contract" means a contract that requires the  
9 successful bidder to deliver a specified project for a set price.  
10 Change orders on a fixed price contract are allowable but may only be  
11 used on a very limited basis and must originate from the department  
12 only.

13 (d) "Successful bidder" means the proposer that offers the most  
14 responsive and responsible bid with a proven capability to design and  
15 engineer vessels using liquefied natural gas as its fuel source and  
16 an ability to supply a dependable and suitable source of liquefied  
17 natural gas in a manner most acceptable to the department and is  
18 awarded the contract.

19 (2) Within thirty days of the effective date of this section, the  
20 department must issue a solicitation for a request for proposals to  
21 award a contract to the successful bidder that will design, engineer,  
22 and convert a Washington state ferry of the department's choosing to  
23 operate on liquefied natural gas as a propulsion fuel under a fixed-  
24 price contract. The request for proposals process must include, at  
25 least, the following:

26 (a) Solicitation of a proposal to convert one ferry of the  
27 department's choosing to operate on liquefied natural gas as a  
28 propulsion fuel, including all requirements and specifications  
29 required by the state;

30 (b) A copy of the contract that will be signed by the successful  
31 bidder;

32 (c) The date by which proposals must be received by the  
33 department to be considered;

34 (d) A description of information to be submitted in the proposals  
35 concerning each proposer's qualifications;

36 (e) A requirement that proposers offer design and engineering  
37 specifications in sufficient detail to fully convert the existing  
38 diesel powered ferry to use liquefied natural gas as a fuel source  
39 and a time of redelivery of the completed vessel to the department;

1 (f) A requirement that the contract for this conversion be both  
2 design-build, finance, and supply and fixed price and that the  
3 successful bidder will be responsible for the performance of the work  
4 to convert the existing diesel powered ferry to use liquefied natural  
5 gas as a fuel source;

6 (g) A requirement that the successful bidder comply with all  
7 applicable laws, rules, and regulations including, but not limited  
8 to, those pertaining to the environment, worker health and safety,  
9 and prevailing wages;

10 (h) A requirement that the successful bidder obtains United  
11 States coast guard approval regarding vessel safety and other  
12 requirements to meet regulatory requirements for the fueling and use  
13 of liquefied natural gas as a fuel in this type of service;

14 (i) A requirement that the conversion of the vessel be  
15 accomplished within the boundaries of the Puget Sound and associated  
16 waterways and within the state of Washington;

17 (j) A requirement that all vessel design and engineering  
18 specifications and drawings must be complete and, when applicable,  
19 meet United States coast guard rules and regulatory requirements for  
20 this service before the start of construction;

21 (k) A requirement that all vessel design and engineering  
22 specifications and drawings must be agreed to by the department  
23 before the start of construction;

24 (l) A requirement that the successful bidder supplies a  
25 dependable and suitable source of liquefied natural gas that takes  
26 into account the vessel's operating schedule and demands;

27 (m) A requirement that the successful bidder provides public  
28 outreach and education regarding the conversion of ferry vessels to  
29 the use of liquefied natural gas as a fuel source; and

30 (n) Incentives for proposals that include alternative financing  
31 arrangements, such as using a long-term fuel payment method.

32 (3) The department must supply a condition survey of any  
33 nominated vessel constructed before 2007 to each qualified proposer  
34 under the request for proposals process. The survey must completely  
35 depict all current conditions of the structural, mechanical, and  
36 electrical systems of the vessel as well as all essential systems.  
37 The department must make available a complete set of current plans  
38 and specifications for the vessel. The department must make the  
39 vessel available to prospective proposers at a time that is

1 convenient to the department and is no later than three weeks before  
2 the date by which proposals must be received by the department.

3 (4) The department must make available a complete set of plans  
4 and specifications for any nominated vessel to proposers no later  
5 than three weeks before the date by which proposals must be received  
6 by the department.

7 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
8 preservation of the public peace, health, or safety, or support of  
9 the state government and its existing public institutions, and takes  
10 effect June 1, 2018.

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