

HOUSE BILL REPORT

ESHB 1093

As Passed Legislature

Title: An act relating to streamlining purchasing provisions for state agencies including Washington state ferries.

Brief Description: Revising bidding procedures for public agencies.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives K. Schmidt, Johnson, Romero and Wolfe; by request of Department of General Administration).

Brief History:

Committee Activity:

Transportation: 1/23/95, 2/16/95 [DPS].

Floor Activity:

Passed House: 3/8/95, 97-0.

First Special Session

Floor Activity:

Passed House: 5/17/95, 89-0.

Passed Senate: 30-17.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chandler; Chopp; Elliot; Hankins; Horn; Johnson; Koster; McMahan; Ogden; Quall; Robertson; Romero; D. Schmidt; Scott and Tokuda.

Staff: Vicki Fabre (786-7313).

Background: The 1994 Legislature directed the departments of Transportation (DOT) and General Administration (GA) and the Office of Financial Management (OFM), in consultation with the Legislative Transportation Committee, to review GA, Office of State Procurement's acquisition authorities to determine the impact on the operation of Washington State Ferries (WSF) as a public mass transportation system. The multi-agency review resulted in a series of recommendations on procurement methods and statutory changes that are responsive to the needs of WSF and that

streamline the procurement process for all state agencies. The study results and proposed legislation were reported to the LTC in December 1994.

The major focus of legislation introduced in the 1995 legislative session was on giving GA clear authority to use, in addition to the traditional competitive bid process (Invitation for Bid or IFB) which selects bidders solely on the basis of the lowest cost, a Request for Proposal (RFP) process that takes into consideration criteria, other than cost, in evaluating and selecting contracts for technologically complex procurements (such as propulsion systems for ferry vessels).

Concern regarding expansion of the RFP process to all state agencies, led to a compromise bill that addresses only the procurement needs of WSF.

Summary: The DOT is required to procure materials, supplies, services and equipment for ferries and terminals in accordance with the state competitive bid law using an Invitation for Bid (IFB) unless the secretary of the DOT determines in writing that use of the IFB is not practicable or advantageous to the state. DOT may then pursue purchases for WSF using the RFP process.

The RFP solicitation must include a functional description of the needs and requirements of WSF for the item procured. The DOT is prohibited from using evaluation criteria not specified in the RFP. The contract is awarded to the bidder whose sealed bid is determined by the DOT to be the most advantageous to the state, taking into consideration price, and other evaluation factors set forth in the RFP.

If life cycle cost analysis is used (the total cost of an item over its estimated useful life, including costs of selection, acquisition, operation, maintenance and, where applicable, disposal), it must be given the same relative importance as the price of an item specified in the RFP.

DOT is authorized to extend ferry concession contracts from five to 10 years and may use either an IFB or RFP process in selecting such contracts.

The law establishing the existing RFP process used to procure ferry passenger-only vessels is repealed.

The bill contains an emergency clause and takes effect immediately.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The legislation implements the findings of the 1994 review by the departments of General Administration and Transportation and the Office of Financial Management of state agency procurement requirements. The changes in the competitive bid process are responsive to the particular needs of the state ferry system and streamline the process for all state agencies.

Testimony Against: None.

Testified: John Franklin, Department of General Administration (pro); Nancy Locke, Department of General Administration (pro); Duke Schaub, Associated General Contractors of Washington (pro with amendment); Terry McCarthy, Washington State Ferries (pro); Mark Triplett, NC Machinery (pro with amendment); and Darren Venters, NC Machinery (pro with amendment).