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**SUBSTITUTE SENATE BILL 5408**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** Senate Committee on Education (originally sponsored by Senators McAuliffe, Johnson, Quigley and Long; by request of Office of Financial Management)

Read first time 03/01/95.

1 AN ACT Relating to school bus acquisitions; amending RCW  
2 28A.160.200 and 43.19.637; adding a new section to chapter 28A.160 RCW;  
3 creating a new section; providing an effective date; and declaring an  
4 emergency.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
7 establish a state contract using a sealed competitive process for the  
8 purchase of student transportation vehicles (school buses). The goals  
9 of this process are:

10 (1) To reduce the cost of school bus purchases by promoting  
11 competition among school bus vendors and by purchasing in volume; and

12 (2) To establish the state reimbursement rate for the replacement  
13 of buses by school districts and educational service districts.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.160  
15 RCW to read as follows:

16 (1) The superintendent of public instruction shall annually review  
17 school bus purchasing requirements and estimate the number of school  
18 buses to be purchased by districts during the following school year.

1 (2) The superintendent shall establish a minimum number of school  
2 bus categories considering the capacity and type of vehicles required  
3 by school districts in Washington. The superintendent shall establish  
4 competitive specifications for each category of school bus. The  
5 competitive specifications shall meet federal motor vehicle safety  
6 standards and minimum state specifications for school buses. Minimum  
7 state specifications shall be established by rule adopted by the  
8 superintendent. Options shall not be included in the state  
9 reimbursement rate.

10 (3) After establishing school bus categories and competitive  
11 specifications, the superintendent of public instruction shall notify  
12 districts and shall solicit district commitments for school bus  
13 purchases from the state contract. The superintendent of public  
14 instruction shall secure commitments for purchases of at least thirty  
15 percent of all estimated school bus purchases in the state for the  
16 following school year. The thirty percent shall include commitments  
17 for at least fifteen percent of estimated school bus purchases in each  
18 category for the following school year. If a district does not fulfill  
19 a commitment to purchase from the state contract, the superintendent  
20 shall reduce the district's transportation vehicle reimbursement  
21 allocations by twenty-five percent of the amount of the unfulfilled  
22 purchase commitment.

23 (4) After the superintendent secures commitments for purchases, the  
24 department of general administration shall, under chapter 43.19 RCW,  
25 solicit bids or proposals from school bus vendors and select the lowest  
26 responsible bid that meets the competitive specifications for each  
27 school bus category.

28 (5) The selected contract price shall be used by the superintendent  
29 of public instruction as the state reimbursement rate for reimbursement  
30 under RCW 28A.160.200.

31 (6) The superintendent of public instruction shall adopt rules  
32 necessary to implement this section.

33 (7) As used in this section and RCW 28A.160.200, "districts" means  
34 school districts and educational service districts.

35 (8) Student transportation vehicles purchased under this section  
36 are exempt from the requirements of RCW 43.19.637.

37 **Sec. 3.** RCW 28A.160.200 and 1990 c 33 s 146 are each amended to  
38 read as follows:

1       (1) The superintendent shall determine the vehicle acquisition  
2 allocation ((in the following manner:

3       (1) ~~By May 1st of each year, the superintendent shall develop~~  
4 ~~preliminary categories of student transportation vehicles to ensure~~  
5 ~~adequate student transportation fleets for districts. The~~  
6 ~~superintendent shall take into consideration the types of vehicles~~  
7 ~~purchased by individual school districts in the state. The categories~~  
8 ~~shall include, but not be limited to, variables such as vehicle~~  
9 ~~capacity, type of chassis, type of fuel, engine and body type, special~~  
10 ~~equipment, and life of vehicle. The categories shall be developed in~~  
11 ~~conjunction with the local districts and shall be applicable to the~~  
12 ~~following school year. The categories shall be designed to produce~~  
13 ~~minimum long range operating costs, including costs of equipment and~~  
14 ~~all costs incurred in operating the vehicles. Each category~~  
15 ~~description shall include the estimated state-determined purchase~~  
16 ~~price, which shall be based on the actual costs of the vehicles~~  
17 ~~purchased for that comparable category in the state during the~~  
18 ~~preceding twelve months and the anticipated market price for the next~~  
19 ~~school fiscal year. By June 15th of each year, the superintendent~~  
20 ~~shall notify districts of the preliminary vehicle categories and state-~~  
21 ~~determined purchase price for the ensuing school year. By October 15th~~  
22 ~~of each year, the superintendent shall finalize the categories and the~~  
23 ~~associated state-determined purchase price and shall notify districts~~  
24 ~~of any changes. While)) under section 2 of this act and under this  
25 section. It is the responsibility of each district to select and pay  
26 for each student transportation vehicle ((to be)) purchased by the  
27 district((, each district shall be paid a sum)). Any district may  
28 purchase vehicles from the state contract established under section 2  
29 of this act, however, purchase commitments made before the state  
30 contract shall be given first priority.~~

31       (2) The superintendent shall reimburse districts based ((only)) on  
32 the ((amount of the state-determined purchase price and)) category of  
33 vehicle, anticipated lifetime of vehicles of this category, and state  
34 reimbursement rate for the category plus inflation as recognized by the  
35 reimbursement schedule established in this section as set by the  
36 superintendent ((for the category of vehicle purchased)). Categories  
37 and reimbursement rates of vehicles shall be those established under  
38 section 2 of this act.

1       (~~(2)~~) (3) The superintendent shall develop a reimbursement  
2 schedule to pay districts for the cost of student transportation  
3 vehicles purchased after September 1, 1982. The accumulated value of  
4 the payments and the potential investment return thereon shall be  
5 designed to be equal to the replacement (~~(value)~~) cost of the vehicle  
6 less its salvage value at the end of its anticipated lifetime. The  
7 superintendent shall revise at least annually the reimbursement  
8 payments based on the current and anticipated future cost of comparable  
9 categories of transportation equipment. Reimbursements to school  
10 districts for approved transportation equipment shall be placed in a  
11 separate (~~(vehicle)~~) transportation vehicle fund established for each  
12 school district under RCW 28A.160.130. However, educational service  
13 districts providing student transportation services pursuant to RCW  
14 28A.310.180(4) and receiving moneys generated pursuant to this section  
15 shall establish and maintain a separate (~~(vehicle)~~) transportation  
16 vehicle account in the educational service district's general expense  
17 fund for the purposes and subject to the conditions under RCW  
18 28A.160.130 and 28A.320.300.

19       (~~(3)~~) (4) In the 1995-96 school year and each year thereafter,  
20 state reimbursement payments shall commence only after the state  
21 reimbursement rate has been set under section 2 of this act.

22       (5) To the extent possible, districts shall operate vehicles  
23 acquired under this section not less than the number of years or useful  
24 lifetime now, or hereafter, assigned to the (~~(class)~~) category of  
25 vehicles by the superintendent. School districts shall properly  
26 maintain the transportation equipment acquired under the provisions of  
27 this section, in accordance with rules established by the office of the  
28 superintendent of public instruction. If a district fails to follow  
29 generally accepted standards of maintenance and operation, the  
30 superintendent of public instruction shall penalize the district by  
31 deducting from future reimbursements under this section an amount equal  
32 to the original cost of the vehicle multiplied by the fraction of the  
33 useful lifetime or miles the vehicle failed to operate.

34       (~~(4)~~) (6) The superintendent shall annually develop a  
35 depreciation schedule to recognize the cost of depreciation to  
36 districts contracting with private carriers for student transportation.  
37 Payments on this schedule shall be a straight line depreciation based  
38 on the original cost of the appropriate category of vehicle.

1       **Sec. 4.** RCW 43.19.637 and 1991 c 199 s 213 are each amended to  
2 read as follows:

3       (1) At least thirty percent of all new vehicles purchased through  
4 a state contract shall be clean-fuel vehicles.

5       (2) The percentage of clean-fuel vehicles purchased through a state  
6 contract shall increase at the rate of five percent each year.

7       (3) In meeting the procurement requirement established in this  
8 section, preference shall be given to vehicles designed to operate  
9 exclusively on clean fuels. In the event that vehicles designed to  
10 operate exclusively on clean fuels are not available or would not meet  
11 the operational requirements for which a vehicle is to be procured,  
12 conventionally powered vehicles may be converted to clean fuel or dual  
13 fuel use to meet the requirements of this section.

14       (4) Fuel purchased through a state contract shall be a clean fuel  
15 when the fuel is purchased for the operation of a clean-fuel vehicle.

16       (5)(a) Weight classes are established by the following motor  
17 vehicle types:

18       (i) Passenger cars;

19       (ii) Light duty trucks, trucks with a gross vehicle weight rating  
20 by the vehicle manufacturer of less than eight thousand five hundred  
21 pounds;

22       (iii) Heavy duty trucks, trucks with a gross vehicle weight rating  
23 by the vehicle manufacturer of eight thousand five hundred pounds or  
24 more.

25       (b) This subsection does not place an obligation upon the state or  
26 its political subdivisions to purchase vehicles in any number or weight  
27 class other than to meet the percent procurement requirement.

28       (6) This section does not apply to student transportation vehicles  
29 purchased under RCW 28A.160.200.

30       (7) For the purposes of this section, "clean fuels" and "clean-fuel  
31 vehicles" shall be those fuels and vehicles meeting the specifications  
32 provided for in RCW 70.120.210.

33       NEW SECTION. **Sec. 5.** (1) Section 2 of this act is necessary for  
34 the immediate preservation of the public peace, health, or safety, or  
35 support of the state government and its existing public institutions,  
36 and shall take effect immediately.

1 (2) Section 3 of this act shall take effect September 1, 1995.

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