

Transportation Committee

HB 2091

Brief Description: *Adjusting contracting procedures for ferry repairs.*

Sponsors: *Representatives Mitchell and Fisher.*

Brief Summary of Bill

- *Washington State Ferries is authorized to enter into single source contracts for maintenance and preservation dry docking for those classes of vessels for which only one dry dock facility is available.*

Hearing Date: *2/26/01*

Staff: *Paul Neal (786-7315).*

Background:

In the 2000 supplemental operating budget, the Legislature appropriated \$243,000 for the Office of Financial Management (OFM) to hire an outside auditing firm to conduct an independent performance audit of the Washington State Ferries (WSF) capital program. The auditing firm of Talbot, Korvola, & Waswick, LLP, undertook the audit and delivered their report in January of 2001.

The audit reviewed the WSF capital program's procurement processes and came up with a number of recommendations. Recommendation 4 states: We recommend Washington State Ferries examine and pursue alternative procurement approaches and statutory authorization regarding vessel maintenance and repair services.–

Specifically, the audit was referring to the current requirement that ferries contract out maintenance and preservation requiring dry docking using the invitation for bid process. For certain classes of WSF vessels, there is only one dry dock facility in Puget Sound available. The audit noted that the U.S. Navy faces similar situations for some of its ships stationed at the Everett Home Port, and that it has entered into single-source multi-year service contracts. The Navy believes this form of contract has been beneficial to both

parties and has reduced costs.

Summary of Bill:

The WSF is authorized to enter into single source contracts for maintenance and preservation dry docking for those classes of vessels for which only one dry dock facility is available.

Appropriation: *None.*

Fiscal Note: *Requested on February 21, 2001.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*