

SENATE BILL REPORT

SHB 1093

As Reported By Senate Committee On:
Government Operations, March 30, 1995

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

Brief Description: Revising bidding procedures for public agencies.

Sponsors: 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: Government Operations: 3/21/95, 3/30/95 [DPA, DNP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass as amended.

Signed by Senators Sheldon, Vice Chair; Hale, Heavey, McCaslin and Winsley.

Minority Report: Do not pass.

Signed by Senators Haugen, Chair; and Drew.

Staff: Diane Smith (786-7410)

Background: In 1994, the Legislature authorized the purchase of the propulsion systems for the Jumbo Mark II Class ferries through a request for proposal (RFP) process, utilizing specific evaluation criteria to determine the proposal most advantageous to the state. The propulsion system engines were subsequently awarded under this RFP process.

The Departments of Transportation and General Administration (GA) and the Office of Financial Management, in consultation with the Legislative Transportation Committee (LTC), were directed to review GA's Office of State Procurement (OSP) acquisition authorities to determine the impact on the operation of Washington State Ferries (WSF) as a public mass transportation system and to report on any proposed legislation. 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.

Summary of Amended Bill: The Department of General Administration is given the authority to use the Request for Proposal (RFP) bid solicitation process if the purchasing director makes a written determination that the invitation for bid (IFB) process is not practicable or not advantageous and references the technical or performance evaluation that may be required.

In both the RFP and IFB processes, every criterion applied in evaluating the proposal must be specified in the solicitation. One of these criteria may be the life-cycle cost technique of bid evaluation. If the state, in its sole discretion, decides to use life-cycle costing to achieve the lowest total cost to the state, for the IFB procedure, the lowest total cost is considered the lowest price. For the RFP process, life-cycle cost is given the same weight as the price element.

The dollar limit under which small purchases may be made without competitive bid is raised from \$800 to \$1,500.

Emergency purchase provisions are revised by removing the requirement that agencies file reports with the Department of General Administration following each emergency acquisition. Agencies are responsible for documenting and auditing emergency purchases internally.

The Department of Transportation is authorized to enter into concession contracts for up to 10 years and to use an invitation for bid or RFP process for concession contracts. Joint development agreements between the department and a public or private entity are expanded to include installed improvements.

Existing statutes authorizing the acquisition of passenger-only ferries through a competitive RFP process are repealed.

The Department of General Administration is authorized to charge a fee to cover the costs of purchasing and contracts administration.

Amended Bill Compared to Substitute Bill: The intent of the substitute bill to require that all evaluation factors and criteria be included in the invitation for bid and request for proposal is clarified. The term life-cycle cost is defined consistently with the model procurement code. Objective standards are included in the bid evaluation processes.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill is a result of the learning experience gained from the jumbo ferry problems. It strengthens an existing tool in the procurement process. This authorizes the pursuit of the best value within product function and quality. It allows capital investment in ferry galleys and on-line installations by lessees. The RFP process is a good one but it needs more fleshing out in the bill.

Testimony Against: None.

Testified: Mark Triplett, Darren Ventens, NC Machinery; John Franklin, Nancy Locke, GA.