H-3375.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 2400**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 65th Legislature 2018 Regular Session**

**By** Representatives Tarleton, Hudgins, Chapman, and Buys

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

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

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

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

(1) For the purposes of this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The department must supply a condition survey of any nominated vessel constructed before 2007 to each qualified proposer under the request for proposals process. The survey must completely depict all current conditions of the structural, mechanical, and electrical systems of the vessel as well as all essential systems. The department must make available a complete set of current plans and specifications for the vessel. The department must make the vessel available to prospective proposers at a time that is convenient to the department and is no later than three weeks before the date by which proposals must be received by the department.

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

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

**--- END ---**