

SENATE BILL REPORT

HB 1054

As Passed Senate, April 2, 2025

Title: An act relating to county ferry maintenance and repair contracts.

Brief Description: Concerning county ferry maintenance and repair contracts.

Sponsors: Representatives Leavitt, Ramel, Paul, Shavers, Bronoske, Timmons, Nance and Berg.

Brief History: Passed House: 2/12/25, 95-0.

Committee Activity: Local Government: 3/13/25, 3/17/25 [DP].

Floor Activity: Passed Senate: 4/2/25, 48-1.

Brief Summary of Bill

- Provides that, for counties with purchasing departments, a unit priced contract for the maintenance or repair of a county ferry vessel or county ferry district vessel may be for a term of up to ten years.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Salomon, Chair; Lovelett, Vice Chair; Torres, Ranking Member; Bateman and Goehner.

Staff: John Kim (786-7453)

Background: Local Option Ferry Services. *County-Owned Ferries*. A county may construct, purchase, operate, and maintain ferries at any unfordable stream, lake, estuary, or bay within or bordering on the county, between portions of the county, or between the county and other counties. Service may include auto-carrying capacity and may be funded from general county revenues.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Currently, Pierce, Skagit, Wahkiakum, and Whatcom counties operate ferries under this general authority.

County Ferry Districts. The legislative authority of a county may also adopt an ordinance creating a ferry district in all or a portion of the area of the county. A county ferry district acts independently from the county legislative authority as the governing body. A county ferry district is also authorized to construct, purchase, operate, and maintain ferries within the same boundaries of its district, but its authority is limited to passenger-only ferry service. There are no county ferry districts currently in operation. A 2014 state law authorized counties meeting specified conditions to assume the rights, powers, functions, and obligations of their county ferry district, and King County passed an ordinance assuming governance of the King County Ferry District.

Other Local Option Ferry Services. Some public transportation benefit areas and passenger-only ferry service districts, as well as port districts, may operate passenger-only ferry services.

Public Works Contracts. "Public works" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. Contracts for public works are subject to competitive bidding requirements and are generally subject to requirements for prevailing wages, retainage, and performance and payment bonds.

In a traditional public works contract, an engineer or architect designs the project; the agency uses a competitive process to bid the project and make an award to a contractor; and the contractor constructs the project using plans and specifications prepared by the engineer or architect. Traditional public works contracts are awarded for specific projects or scopes with a specific total dollar value.

Unit Priced Contracts. Unlike traditional public works contracts, a unit priced contract is a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of the county, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price for each category of work.

Unit priced contracts allow public agencies to contract for multiple or recurring small public works projects over time without having to bid each project separately. Under unit priced contracts, the agency agrees to pay a defined unit price for certain types of anticipated, but unplanned, work or trades over a certain time period.

Certain agency types are specifically authorized to use unit priced contracts. One such agency type is a county with a purchasing department.

Unit Priced Contracts by Counties with Purchasing Departments. A county with a purchasing department that seeks to procure public works with a unit priced contract is subject to contract duration, bid advertisement and award, and prevailing wage requirements.

Unit priced contracts must be executed for an initial contract term not to exceed one year, with the county having the option of extending or renewing the unit priced contract for one additional year.

Summary of Bill: Unit priced contracts for the maintenance or repair of a county ferry vessel or county ferry district vessel may be for a term of up to ten years, rather than an initial contract term of one year, for counties with purchasing departments.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: In February 2023, the ferry and backup ferry between Steilacoom and Anderson Island were broken and folks were stranded. Frequently, there is a need for maintenance and dry docks aren't available. Providers of dry docks generally don't want to take the time it takes to do a bid for a one-year contract. Extending it out provides more predictability. The four counties that operate county-run ferries are asking for it.

County ferries are kind of small fish in this pond so it's very hard for us to get dry dock time. When we do, we generally have to pay a premium for it. This bill complies with sideboards like prevailing wage and minority business certification requirements. Extending the contract period gives us more leverage in negotiating with dry docks.

I'm the ferry administrator for Pierce County. Our vessels must comply with Coast Guard regulations including dry dock inspections every two years. We face significant challenges due to the limited availability of dry docks due to the size of the boats and other agencies like the Navy, Coast Guard, and Washington State Ferries occupying those spaces. The current procurement structure requiring predefined scopes of work and limited contract durations reduces our ability to adjust maintenance schedules based on availability and increases our costs. When we go out to bid, we're lucky to get one bidder. With this bill, we can create a more competitive environment and reduce our costs.

Most of the issues with the ferries over the past few years have been related to maintenance. This bill will give the county better flexibility to compete for the limited ferry facilities.

Persons Testifying: PRO: Representative Mari Leavitt, Prime Sponsor; Michael Shaw, Pierce County; Raymond Williams, Pierce County Public Works - Ferry Administrator; Jacob Anderson.

Persons Signed In To Testify But Not Testifying: No one.