

**MCC Reform Proposals - November 21, 2013\***

Policy Proposal	Summary Description
1. Sales Tax on Transportation Construction (S-3210.1/14)	<ul style="list-style-type: none"> <li>• Requires that sales tax charged to state highway capital projects be transferred to the Connecting Washington Account (within the Motor Vehicle Fund).</li> <li>• Applies first in the 2013-2015 biennium only to projects funded with new-law revenue.</li> <li>• Becomes fully in effect on all state highway capital projects starting with the 2017-2019 biennium.</li> </ul>
2. Stormwater Funded via the Environmental Legacy Stewardship Account (S-3113.3/14)	<ul style="list-style-type: none"> <li>• Designates \$10 million during the 2015-2017 biennium from the ELSA for WSDOT stormwater permit activities.</li> <li>• Designates \$60 million during subsequent biennia from the ELSA for WSDOT stormwater permit activities.</li> </ul>
3. Labor Reform (S-3114.3/14)	<ul style="list-style-type: none"> <li>• Changes WSDOT <b>apprenticeship requirements</b> from 15% to 12%, and makes the apprenticeship provision apply only to projects costing \$5 million or more (rather than current \$2 million or more).</li> <li>• Makes <b>prevailing wage surveys</b> mandatory, nondiscloseable, &amp; due every two years with the renewal of the contractor's license. Includes an online submittal option.</li> </ul>
4. Environmental Permitting (S-3119.3/14)	<ul style="list-style-type: none"> <li>• Environmental Permitting:               <ul style="list-style-type: none"> <li>○ Limits the use of a local hearing officer only to those appeals of critical areas permits where WSDOT consents - otherwise, appeal goes to the superior court.</li> <li>○ Declares that WSDOT is not required to obtain various local zoning permits for construction staging areas related to the construction of state highways.</li> <li>○ Provides that only WSDOT or another permittee may appeal building permits issued by cities, towns, or counties for temporary buildings supporting highway construction.</li> <li>○ "To the greatest extent practicable" permits must be issued to WSDOT within 90 days of filing the permit application.</li> <li>○ Exempts highway maintenance and certain minor highway improvements from the Shorelines Management Act.</li> <li>○ Exempts projects from the State Environmental Policy Act (SEPA) if they are categorically excluded under the National Environmental Policy Act (NEPA).</li> </ul> </li> </ul>
5. Congestion Relief Added to List of Transportation Goals (S-3214.1/14)	<ul style="list-style-type: none"> <li>• Adds "congestion relief and improved freight mobility" to the existing Mobility Goal.</li> </ul>
6. Omnibus Transportation Reforms (S-3202.1/14)	<ul style="list-style-type: none"> <li>• Modeled after HB 2070, which incorporates 4 reform bills into one bill.</li> <li>• Addressing the permitting of certain transportation projects (ESHB 1978)               <ul style="list-style-type: none"> <li>○ Creates a seven-step required permitting process for all transportation projects undertaken by WSDOT that require the preparation of an environmental impact statement (EIS) under the National Environmental Policy Act.</li> <li>○ Requires the Dept. of Ecology to undertake rule-making and convene a work group regarding local permitting of transportation projects under the Shoreline Management Act.</li> <li>○ Directs WSDOT to continue using the multiagency permit program and places various requirements upon the staff and the program.</li> <li>○ Requires WSDOT environmental staff to develop all environmental documentation and oversee project work in order to ensure compliance.</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>• Requiring the reporting of highway construction project errors (SHB 1986)                             <ul style="list-style-type: none"> <li>○ Requires WSDOT to submit a report to the Legislature on engineering errors in excess of \$500,000.</li> </ul> </li> <li>• Concerning the application of right-sizing to transportation projects (HB 1988)                             <ul style="list-style-type: none"> <li>○ Defines the concept of right-sizing and recognizes that WSDOT is utilizing this concept in their safety-analyst program.</li> <li>○ Requires WSDOT to submit a report to the Legislature on right-sizing.</li> </ul> </li> <li>• Concerning WSDOT project delivery (SHB 1957)                             <ul style="list-style-type: none"> <li>○ Creates expert review panels for the Alaskan Way Viaduct project &amp; the SR 520 Bridge project.</li> <li>○ Requires WSDOT to use available technologies to minimize permit delays.</li> <li>○ Inform and interact with interested parties regarding proposed compensatory mitigation projects.</li> </ul> </li> </ul>
<p><b>7. Improving Project Delivery Methods (S-3209.2/14)</b></p>	<ul style="list-style-type: none"> <li>• Directs WSDOT to develop a process to award competitive bid contracts for projects that may be constructed using the general contractor/construction manager procedure.</li> <li>• Requires an Expert Review Panel to review the new project list and make a recommendation of the best project delivery method for each project. WSDOT must follow the recommendations, unless conditions warrant otherwise.</li> <li>• Creates an Expert Review Panel to review WSDOT design-build contracting and make recommendations on how to improve.</li> <li>• Removes existing limitations on the use of design-build project delivery.</li> </ul>
<p><b>8. Ferry Capital Program Reform PSSB 5858 *</b></p> <p>* Not part of 11/21 work session, as substantially similar version was previously heard by the Committee during the 2013 regular session.</p>	<p>Makes several reforms stemming from the recent State Auditor report including:</p> <ul style="list-style-type: none"> <li>• Requires WSF to use a design-build, fixed price contract.</li> <li>• Design and Coastguard approval must be complete before construction begins.</li> <li>• WSF must hire an Independent Owners Representative to manage ferry contract(s).</li> <li>• Initial bids will have a Build in WA requirement, but if they are all above 5% of the engineer's estimate, the contract will be rebid and out-of-state companies may bid. Alaska uses a similar process.</li> <li>• The project budget may not contain more than 5% of the fixed price contract as contingency.</li> </ul>