

NEW SECTION. Sec. 13. Section 4, chapter 140, Laws of 1969 and RCW 4.92.131 are each repealed.

Passed the Senate March 9, 1986.

Passed the House March 6, 1986.

Approved by the Governor March 22, 1986.

Filed in Office of Secretary of State March 22, 1986.

CHAPTER 127

[Senate Bill No. 3018]

LIFE-CYCLE COST IN PUBLIC BUILDINGS

AN ACT Relating to life-cycle cost in public buildings; and adding a new chapter to Title 39 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that:

(1) Operating costs of a facility over its lifetime may greatly exceed the initial cost of the facility;

(2) In the planning, design, and funding for new construction or major renovation of state-owned facilities it is desirable to consider not only the initial costs relating to design and construction or acquisition, but the anticipated operating costs relating to the building throughout its life;

(3) The consideration of both initial and operating costs is known as life-cycle cost or life-cycle cost analysis;

(4) Operating costs of a facility for purposes of this act include, but are not limited to, energy costs, maintenance and repair costs, and costs of the work or activity performed within the facility, including wages and salaries;

(5) Current law, chapter 39.35 RCW, speaks to life-cycle cost analysis only in relation to energy conservation; and

(6) Life-cycle cost may not be suitable or cost-effective for all capital projects or all components of a facility, and is not an exclusive criteria for decision-making, but is nonetheless a useful framework for evaluating design and capital investment alternatives.

NEW SECTION. Sec. 2. The legislature declares that:

(1) It is the policy of the state to consider life-cycle costs in the selection of facility design alternatives, to the full extent practical, reasonable, and cost-effective;

(2) Life-cycle cost should be considered by the state government, school districts, and state universities and community colleges in the planning, design, and funding for new construction or major renovations; and

(3) Use of life-cycle cost should be encouraged for cities, counties, and other governmental districts including special purpose districts.

NEW SECTION. Sec. 3. It is the intent of the legislature to:

(1) Expand the definition and use of "life-cycle cost" and "life-cycle cost analysis" to include consideration of all operating costs, as opposed to only energy-related costs as addressed by chapter 39.35 RCW;

(2) Encourage the recognition, development, and use of life-cycle cost concepts and procedures by both the executive and legislative branches in the state's design development and capital budgeting processes;

(3) Ensure the dissemination and use of a common and realistic discount rate by all state agencies in the calculation of the present value of future costs;

(4) Allow and encourage the executive branch to develop specific techniques and procedures for the state government and its agencies, and state universities and community colleges to implement this policy; and

(5) Encourage cities, counties, and other governmental districts including special purpose districts to adopt programs and procedures to implement this policy.

**NEW SECTION.** Sec. 4. The principal executives of all state agencies are responsible for implementing the policy set forth in this chapter. The office of financial management in conjunction with the department of general administration may establish guidelines for compliance by the state government and its agencies, and state universities and community colleges. The office of financial management shall include within its biennial capital budget instructions:

(1) A discount rate for the use of all agencies in calculating the present value of future costs, and several examples of resultant trade-offs between annual operating costs eliminated and additional capital costs thereby justified; and

(2) Types of projects and building components that are particularly appropriate for life-cycle cost analysis.

**NEW SECTION.** Sec. 5. Sections 1 through 4 of this act shall constitute a new chapter in Title 39 RCW.

Passed the Senate March 4, 1986.

Passed the House March 1, 1986.

Approved by the Governor March 22, 1986.

Filed in Office of Secretary of State March 22, 1986.

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## CHAPTER 128

[Engrossed Substitute Senate Bill No. 3416]

### DISHONORED CHECKS

AN ACT Relating to negotiable instruments; amending RCW 62A.3-515 and 62A.3-520; and providing penalties.

Be it enacted by the Legislature of the State of Washington: