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Editorial: Lawmakers should consider suggestions in ferry audit to lower construction costs

The Jan. 3 report concludes a lack of competition is causing the state to pay higher costs to replace its aging ferry fleet. Shipyard jobs are important to protect, but so are taxpayer dollars.

Seattle Times Editorial

THE Washington State Ferries fleet, which supports one of the largest and busiest ferry systems in the world, needs new boats.

Nine of its vessels are between 40 and 65 years old. In ferry-speak: they're ancient.

Before going forward, the Legislature must carefully consider a new state audit that concludes Washington State Ferries consistently spends more on vessel construction compared with eight other systems nationwide.

Though some cost drivers are within the ferry system's control, transportation officials need more flexibility in the bidding process.

Well-intentioned statutes that require government-owned ferries be built in-state and in shipyards with state-certified apprenticeship programs have inadvertently restricted competition and created a monopoly.

Six of the state's newest ferries — plus two Olympic-class vessels currently under construction — have been built by one company that meets both standards, Vigor Shipyards.

The Kitsap Sun reports Vigor was the sole bidder for a two-vessel project that was about 30 percent over engineers' estimates. The state opted to build one ferry instead of two.

In 2008, Washington tried to save money and time by licensing an existing design for its 64-car Kwa-di Tabil class. The first vessel, Chetzemoka, ended up costing twice as much as the original model built on the Gulf Coast for the Massachusetts-based Steamship Authority.

The state has spent between \$7.5 million and \$43 million more per vessel compared with other purchasers, even after "accounting for design differences," the report said.

State Department of Transportation officials dispute some of the findings, but the bottom line is taxpayers are footing the bills for these expensive public investments.

Protecting and training workers in Washington remains a high priority. The Legislature should seek a middle-ground position.

One idea is to allow out-of-state bids on specific projects that lack interest from in-state builders or receive single bids. Another suggestion is to review the Apprenticeship Act's rules on skilled labor training and fix any barriers that prevent more Washington shipyards from applying for state contracts.

Any changes should reflect the reality that public resources are limited. Taxpayers want the most bang for their buck.