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Governor Bob Ferguson
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Recommendation To Award State Hybrid-Electric Ferry Construction to In-State Bidder

Dear Governor Ferguson,

As committed members of and key contributors to Washington State's regional workforce development system, we are writing to recommend that the State awards one of its two contracts for the hybrid-electric ferries to Nichols Brothers Boat Builders ("NBBB") the in-State bidder. We represent the varied and dispersed players and stakeholders of our Workforce Development community Career Connected Learning initiatives, including our education community (students and parents, teachers, counselors, superintendents, college presidents); business and industry leaders, government / State agency leaders, centers of excellence, labor leaders, chambers of commerce, economic development organizations, STEM organizations, community leaders and nonprofits. Each of us is committed to the development of our State's workforce and our Career Connected Learning initiative. We believe the new WSF ferries project presents a unique generational event that can strengthen our maritime industry, provide attractive opportunities and career paths for our workforce, and create many pathways to great careers. It will provide life-changing impacts to Washington state residents currently in skilled crafts and those aspiring to be.

Washington's and NBBB's Commitment to Workforce

NBBB has been a consistent advocate for and partner in the state's career connected workforce initiative. We have partnered with the vocational technical college community and the high school education system in promoting awareness of the trades through providing internship programs, serving as advisory board members, and providing tours of our shipyards. NBBB has partnered with others in the workforce development ecosystem to connect students and job seekers to the career opportunities starting during their high school years. We have effectively been effective in facilitating their service as a bridge between employers and educators to create and scale programs that better prepare them to meet our industry's future workforce needs.

Award to In-State Bidder Achieves Regional Benefits of a Circular Economy

The hybrid-electric ferry program is a significant opportunity for Washington to further its investment in and commitment to its current and future workforce. NBBB has invested significantly in new equipment, automation, and modernization with recent purchases of automated panel lines, one-sided welder machines, and robotic blasting and painting booths to improve efficiency, reduce emissions, and improve quality. These investments have lowered the cost of construction, modernized shipbuilding in Puget Sound and bolster the image and reputation of Washington as a center of maritime excellence for ferry construction. For these investments to become more impactful and warranting of their cost, NBBB and ESR have reasonable expectations to secure production throughput of the size and duration that the WSF HEOC contract offers.



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The economic principle of the “multiplier effect” posits that every dollar spent on the construction and service of the vessels is reinvested in the State on such things as retailers, communities, and schools by a multiplier (reasonably calculated as being between two and eight). In-State ferry construction creates a circular economy that strengthens resilience and grows our maritime sector and better positions our regional maritime economy relative to those of other part of the country and retains the economic benefits in our communities. This self-reinforcing and virtuous cycle spurs further continued investment in the key maritime sector of our state’s economy.

Keeping Commitments to Washington, its Workforce, and Its Future

Governor Ferguson, your recognition that ferries are an economic lifeline for many families, communities, and businesses in our state, as well as your perseverance in restoring ferry service capacity and reliability have buoyed our confidence that we will soon see real progress. We were inspired by your campaign commitment to lead the most apprenticeship-friendly administration in the country and to focus on keeping working people at the center of economic development efforts. When awarding this contract, please remember NBBB’s commitment to and accomplishments in developing our region’s workforce, as well as the skills and experience of its craft workforce who have built and serviced the WSF fleet over the last several years. Continued partnership with NBBB and ESR and its extensive history with and knowledge of the WSF fleet bring credible expertise and value. To date, NBBB has progressed over 110 apprentices and currently has twenty-five active apprentices in their six state-certified apprentice programs. Losing the Hybrid Electric Olympic Class(HEOC) program would be a blow not only to WSF, but to also to the apprentices currently in the pipeline as well as the prospective future apprentices.

Washington State has enjoyed a rich history in shipbuilding. In partnership with the Washington State Ferries, this industry has built, repaired, and maintained the state’s fleet of ferries for decades. The in-state shipbuilding and service industry has supported families and suppliers and is an economic engine that cannot be replaced. NBBB, along with the broader regional industry, suppliers and workforce are best positioned to build quality ferries expeditiously, with high value to Washingtonians for decades to come. .

Recommendations

We strongly recommend:

1. Retaining at least two vessels for fabrication by a Washington State shipyard to realize the workforce development advantages of local construction.
2. Administering two separate two vessel contracts to two different contractors (one of which located in Washington State) will allow WSF to incubate a competitive landscape.
3. Awarding one shipbuilder a third vessel construction contract on the basis of production efficiency and performance will allow WSF to identify strategies that can most successfully address long-term vessel construction needs.

Thank you for your consideration and commitment to our region’s workforce development.

Signed:



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