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ENGROSSED HOUSE BILL 1849

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State of Washington                      65th Legislature                      2017 Regular Session

By Representatives Sells, Doglio, Pollet, Ormsby, Tharinger, and Farrell

Read first time 02/01/17. Referred to Committee on Capital Budget.

1            AN ACT Relating to compliance with apprenticeship utilization  
2 requirements; amending RCW 39.04.320; adding a new section to chapter  
3 49.04 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 39.04.320 and 2015 3rd sp.s. c 40 s 1 are each  
6 amended to read as follows:

7            (1)(a) Except as provided in (b) through (d) of this subsection,  
8 from January 1, 2005, and thereafter, for all public works estimated  
9 to cost one million dollars or more, all specifications shall require  
10 that no less than fifteen percent of the labor hours be performed by  
11 apprentices.

12            (b)(i) This section does not apply to contracts advertised for  
13 bid before July 1, 2007, for any public works by the department of  
14 transportation.

15            (ii) For contracts advertised for bid on or after July 1, 2007,  
16 and before July 1, 2008, for all public works by the department of  
17 transportation estimated to cost five million dollars or more, all  
18 specifications shall require that no less than ten percent of the  
19 labor hours be performed by apprentices.

20            (iii) For contracts advertised for bid on or after July 1, 2008,  
21 and before July 1, 2009, for all public works by the department of

1 transportation estimated to cost three million dollars or more, all  
2 specifications shall require that no less than twelve percent of the  
3 labor hours be performed by apprentices.

4 (iv) For contracts advertised for bid on or after July 1, 2015,  
5 and before July 1, 2020, for all public works by the department of  
6 transportation estimated to cost three million dollars or more, all  
7 specifications shall require that no less than fifteen percent of the  
8 labor hours be performed by apprentices.

9 (v) For contracts advertised for bid on or after July 1, 2020,  
10 for all public works by the department of transportation estimated to  
11 cost two million dollars or more, all specifications shall require  
12 that no less than fifteen percent of the labor hours be performed by  
13 apprentices.

14 (c)(i) This section does not apply to contracts advertised for  
15 bid before January 1, 2008, for any public works by a school  
16 district, or to any project funded in whole or in part by bond issues  
17 approved before July 1, 2007.

18 (ii) For contracts advertised for bid on or after January 1,  
19 2008, for all public works by a school district estimated to cost  
20 three million dollars or more, all specifications shall require that  
21 no less than ten percent of the labor hours be performed by  
22 apprentices.

23 (iii) For contracts advertised for bid on or after January 1,  
24 2009, for all public works by a school district estimated to cost two  
25 million dollars or more, all specifications shall require that no  
26 less than twelve percent of the labor hours be performed by  
27 apprentices.

28 (iv) For contracts advertised for bid on or after January 1,  
29 2010, for all public works by a school district estimated to cost one  
30 million dollars or more, all specifications shall require that no  
31 less than fifteen percent of the labor hours be performed by  
32 apprentices.

33 (d)(i) For contracts advertised for bid on or after January 1,  
34 2010, for all public works by a four-year institution of higher  
35 education estimated to cost three million dollars or more, all  
36 specifications must require that no less than ten percent of the  
37 labor hours be performed by apprentices.

38 (ii) For contracts advertised for bid on or after January 1,  
39 2011, for all public works by a four-year institution of higher  
40 education estimated to cost two million dollars or more, all

1 specifications must require that no less than twelve percent of the  
2 labor hours be performed by apprentices.

3 (iii) For contracts advertised for bid on or after January 1,  
4 2012, for all public works by a four-year institution of higher  
5 education estimated to cost one million dollars or more, all  
6 specifications must require that no less than fifteen percent of the  
7 labor hours be performed by apprentices.

8 (2) Awarding entities may adjust the requirements of this section  
9 for a specific project for the following reasons:

10 (a) The demonstrated lack of availability of apprentices in  
11 specific geographic areas;

12 (b) A disproportionately high ratio of material costs to labor  
13 hours, which does not make feasible the required minimum levels of  
14 apprentice participation;

15 (c) Participating contractors have demonstrated a good faith  
16 effort to comply with the requirements of RCW 39.04.300 and 39.04.310  
17 and this section; or

18 (d) Other criteria the awarding entity deems appropriate, which  
19 are subject to review by the office of the governor.

20 (3) The secretary of the department of transportation shall  
21 adjust the requirements of this section for a specific project for  
22 the following reasons:

23 (a) The demonstrated lack of availability of apprentices in  
24 specific geographic areas; or

25 (b) A disproportionately high ratio of material costs to labor  
26 hours, which does not make feasible the required minimum levels of  
27 apprentice participation.

28 (4)(a) This section applies to public works contracts awarded by  
29 the state, to public works contracts awarded by school districts, and  
30 to public works contracts awarded by state four-year institutions of  
31 higher education. However, this section does not apply to contracts  
32 awarded by state agencies headed by a separately elected public  
33 official.

34 (b) Within existing resources, awarding agencies are responsible  
35 for monitoring apprenticeship utilization hours by contractor. There  
36 must be a specific line item in the contract specifying that  
37 apprenticeship utilization goals should be met, monetary incentives  
38 for meeting the goals, monetary penalties for not meeting the goals,  
39 and an expected cost value to be included in the bid associated with  
40 meeting the goals. The awarding agency must report the apprenticeship

1 utilization by contractor and subcontractor to the supervisor of  
2 apprenticeship at the department of labor and industries by final  
3 project acceptance. The electronic reporting system that is being  
4 developed by the department of labor and industries may be used for  
5 either or both monitoring and reporting apprenticeship utilization  
6 hours.

7 (c) In lieu of the monetary penalty and incentive requirements  
8 specified in (b) of this subsection, the Washington state department  
9 of transportation may use its three strike system for ensuring  
10 compliance including the allowance for a good faith effort.

11 (5)(a) The department of enterprise services must provide  
12 information and technical assistance to affected agencies and collect  
13 the following data from affected agencies for each project covered by  
14 this section:

15 (i) The name of each apprentice and apprentice registration  
16 number;

17 (ii) The name of each project;

18 (iii) The dollar value of each project;

19 (iv) The date of the contractor's notice to proceed;

20 (v) The number of apprentices and labor hours worked by them,  
21 categorized by trade or craft;

22 (vi) The number of journey level workers and labor hours worked  
23 by them, categorized by trade or craft; and

24 (vii) The number, type, and rationale for the exceptions granted  
25 under subsection (2) of this section.

26 (b) The department of labor and industries shall assist the  
27 department of enterprise services in providing information and  
28 technical assistance.

29 (6) The secretary of transportation shall establish an  
30 apprenticeship utilization advisory committee, which shall include  
31 statewide geographic representation and consist of equal numbers of  
32 representatives of contractors and labor. The committee must include  
33 at least one member representing contractor businesses with less than  
34 thirty-five employees. The advisory committee shall meet regularly  
35 with the secretary of transportation to discuss implementation of  
36 this section by the department of transportation, including  
37 development of the process to be used to adjust the requirements of  
38 this section for a specific project.

39 (7) At the request of the senate labor, commerce, research and  
40 development committee, the house of representatives commerce and

1 labor committee, or their successor committees, and the governor, the  
2 department of enterprise services and the department of labor and  
3 industries shall compile and summarize the agency data and provide a  
4 joint report to both committees. The report shall include  
5 recommendations on modifications or improvements to the apprentice  
6 utilization program and information on skill shortages in each trade  
7 or craft.

8 (8) All contracts subject to this section must include  
9 specifications that a contractor or subcontractor may not be required  
10 to exceed the apprenticeship utilization requirements of this  
11 section.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 49.04  
13 RCW to read as follows:

14 (1) In addition to the duties established under RCW 49.04.030,  
15 the supervisor of apprenticeship must verify compliance by  
16 contractors, subcontractors, and awarding agencies of apprenticeship  
17 utilization requirements. The supervisor may coordinate with the  
18 department of enterprise services, the state department of  
19 transportation, the office of the superintendent of public  
20 instruction, and any other appropriate agency or organization to  
21 assist in tracking compliance.

22 (2) Compliance information must be made available to the  
23 apprenticeship council and must be used to determine compliance for  
24 purposes of RCW 39.04.350 and 39.12.055.

25 (3) The director of labor and industries must adopt rules to  
26 implement this section.

27 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2020.

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