
Commerce & Labor Committee

HB 1065

Brief Description: Establishing apprenticeship utilization requirements for public works projects.

Sponsors: Representatives Conway, Kenney, Wood, Hudgins, McCoy, Sullivan and Simpson.

Brief Summary of Bill

- Requires that specifications for public works done by state agencies and local governments require that apprentices enrolled in state-approved apprenticeship training programs participate in the projects at specified levels.
- Authorizes awarding agencies and local governments to adjust apprentice utilization requirements for specified reasons.

Hearing Date: 1/30/03

Staff: Jill Reinmuth (786-7134).

Background:

Public Works

Public works projects are work, construction, alteration, repair, or improvements, other than regular maintenance, that are done for state agencies or local governments. Depending on a number of factors, public works projects may be performed by public employees or contracted out to be performed.

Apprenticeship Training Programs

A six-member apprenticeship council is appointed by the director of the Department of Labor and Industries, composed of three members from employer organizations and three members from labor organizations. Members serve three-year staggered terms of office. The apprenticeship council establishes standards for apprenticeship training programs, adopts rules related to the programs, and approves the programs.

Apprentice Utilization

Under Executive Order 00-01, Governor Locke directed state agencies under his authority to require that apprentices enrolled in state-approved apprenticeship training programs participate in public works projects as follows:

- Ten percent of total labor hours for contracts of more than \$2 million awarded from July 1, 2000, through December 31, 2002;
- Twelve percent of total labor hours for contracts of more than \$2 million awarded from January 1, 2003, through December 31, 2003; and
- Fifteen percent of total labor hours for contracts of more than \$1 million awarded from January 1, 2004, forward.

The Governor permitted agency directors to adjust these requirements for specific projects for the following reasons:

- A demonstrated lack of availability of apprentices in specific geographic areas;
- A disproportionately high ratio of material costs to labor hours;
- A demonstrated good faith effort by participating contractors to comply with the requirements of Executive Order 00-01; or
- Other criteria the agency director deems appropriate, subject to prior review by the Office of the Governor.

Under local ordinances or policies, certain public works contracts let by the City of Seattle, the City of Tacoma, the Port of Seattle, and King County also must require utilization of apprentices.

Summary of Bill:

Requirements for apprentice utilization in public works projects and permissible reasons for adjusting the requirements, as set forth in Governor Locke's Executive Order, are codified. The requirements and reasons for adjustment, as codified, are different from the Executive Order in four key respects:

- The requirements apply to all state agencies and local governments, except those that adopt equal or higher requirements;
- The requirements apply within each trade and must be met by apprentices of that trade;
- The requirements apply to each contractor or subcontractor performing work within a trade; and
- A good faith effort to comply with the requirements is not a reason for adjustment.

Requirements for Apprentice Utilization

All specifications for public works done by state agencies and local governments must require that apprentices enrolled in state-approved apprenticeship training programs participate in the projects as follows:

- No less than 10 percent of total labor hours for contracts estimated to cost \$2 million or more from July 1, 2003, through December 31, 2003;
- No less than 12 percent of total labor hours for contracts estimated to cost \$2 million or more from January 1, 2004, through December 31, 2004; and
- No less than 15 percent of total labor hours for contracts estimated to cost \$1 million from January 1, 2005, forward.

A contractor's failure to comply with the apprentice utilization requirement is a breach of contract. Such a failure also may bear on qualification for future contracts.

Adjustments to Utilization Requirements

Awarding agencies and local governments may adjust the apprentice utilization requirements for specific projects for the following reasons:

- A demonstrated lack of availability of apprentices in specific geographic areas;
- A disproportionately high ratio of material costs to labor hours; or
- Other criteria the awarding agency director deems appropriate, subject to prior review and approval by the apprenticeship program manager of the Department of Labor and Industries.

Reporting Requirements

All contractors and subcontractors must provide at least monthly payroll reports to awarding agencies and local governments. The reports must certify the names of workers, and their trades, hours worked, and journey level or apprentice status.

Rules Authority: The bill does not contain provisions addressing the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.