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**SUBSTITUTE HOUSE BILL 1050**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** House Capital Budget (originally sponsored by Representatives Riccelli, Berry, Simmons, Ryu, Goodman, Reed, Ramel, Lekanoff, Pollet, Street, Doglio, Donaghy, Wylie, Santos, Ormsby, and Fosse)

READ FIRST TIME 02/22/23.

1 AN ACT Relating to expanding apprenticeship utilization  
2 requirements; amending RCW 39.04.320; and providing an effective  
3 date.

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

5 **Sec. 1.** RCW 39.04.320 and 2018 c 244 s 1 are each amended to  
6 read as follows:

7 (1)(a)(i) Except as provided in (b) through (d) of this  
8 subsection, from January 1, 2005, and thereafter, for all public  
9 works estimated to cost (~~one million dollars~~) \$1,000,000 or more,  
10 all specifications (~~shall~~) must require that no less than  
11 (~~fifteen~~) 15 percent of the labor hours be performed by  
12 apprentices.

13 (ii) As of the effective date of this section, for all public  
14 works contracts awarded by a municipality estimated to cost  
15 \$1,000,000 or more, all specifications must require that no less than  
16 15 percent of the labor hours be performed by apprentices.

17 (iii) As of the effective date of this section, for all  
18 subcontractors on public works with an initial subcontract price of  
19 \$350,000 or more, all specifications must require that no less than  
20 15 percent of the labor hours be performed by apprentices.

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

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

9           ~~(iii) For contracts advertised for bid on or after July 1, 2008,~~  
10 ~~and before July 1, 2009, for all public works by the department of~~  
11 ~~transportation estimated to cost three million dollars or more, all~~  
12 ~~specifications shall require that no less than twelve percent of the~~  
13 ~~labor hours be performed by apprentices.~~

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

19           ~~(v))~~ For contracts advertised for bid on or after July 1, 2020,  
20 for all public works by the department of transportation estimated to  
21 cost ~~((two million dollars))~~ \$2,000,000 or more, all specifications  
22 ~~((shall))~~ must require that no less than ~~((fifteen))~~ 15 percent of  
23 the labor hours be performed by apprentices. As of the effective date  
24 of this section, for all subcontractors on public works by the  
25 department of transportation with an initial subcontract price of  
26 \$350,000 or more, all specifications must require that no less than  
27 15 percent of the labor hours be performed by apprentices.

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

32           ~~(ii) For contracts advertised for bid on or after January 1,~~  
33 ~~2008, for all public works by a school district estimated to cost~~  
34 ~~three million dollars or more, all specifications shall require that~~  
35 ~~no less than ten percent of the labor hours be performed by~~  
36 ~~apprentices.~~

37           ~~(iii) For contracts advertised for bid on or after January 1,~~  
38 ~~2009, for all public works by a school district estimated to cost two~~  
39 ~~million dollars or more, all specifications shall require that no~~

1 ~~less than twelve percent of the labor hours be performed by~~  
2 ~~apprentices.~~

3 ~~(iv)) For contracts advertised for bid on or after January 1,~~  
4 ~~2010, for all public works by a school district estimated to cost~~  
5 ~~((one million dollars)) \$1,000,000 or more, all specifications~~  
6 ~~((shall)) must require that no less than ((fifteen)) 15 percent of~~  
7 ~~the labor hours be performed by apprentices. For contracts advertised~~  
8 ~~for bid on or after the effective date of this section, for all~~  
9 ~~subcontractors on public works by a school district with an initial~~  
10 ~~subcontract price of \$350,000 or more, all specifications must~~  
11 ~~require that no less than 15 percent of the labor hours be performed~~  
12 ~~by apprentices.~~

13 ~~(d) ((i) For contracts advertised for bid on or after January 1,~~  
14 ~~2010, for all public works by a four-year institution of higher~~  
15 ~~education estimated to cost three million dollars or more, all~~  
16 ~~specifications must require that no less than ten percent of the~~  
17 ~~labor hours be performed by apprentices.~~

18 ~~(ii) For contracts advertised for bid on or after January 1,~~  
19 ~~2011, for all public works by a four-year institution of higher~~  
20 ~~education estimated to cost two million dollars or more, all~~  
21 ~~specifications must require that no less than twelve percent of the~~  
22 ~~labor hours be performed by apprentices.~~

23 ~~(iii)) For contracts advertised for bid on or after January 1,~~  
24 ~~2012, for all public works by a four-year institution of higher~~  
25 ~~education estimated to cost ((one million dollars)) \$1,000,000 or~~  
26 ~~more, all specifications must require that no less than ((fifteen))~~  
27 ~~15 percent of the labor hours be performed by apprentices. For~~  
28 ~~contracts advertised for bid on or after the effective date of this~~  
29 ~~section, for all subcontractors on public works by a four-year~~  
30 ~~institution of higher education with an initial subcontract price of~~  
31 ~~\$350,000 or more, all specifications must require that no less than~~  
32 ~~15 percent of the labor hours be performed by apprentices.~~

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

35 (a) The demonstrated lack of availability of apprentices in  
36 specific geographic areas;

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

1 (c) Participating contractors have demonstrated a good faith  
2 effort to comply with the requirements of (~~RCW 39.04.300 and~~  
3 ~~39.04.310 and~~) this section; or

4 (d) Other criteria the awarding entity deems appropriate, which  
5 are subject to review by the office of the governor or the  
6 municipality's legislative authority if the awarding entity is a  
7 municipality.

8 (3) The secretary of the department of transportation shall  
9 adjust the requirements of this section for a specific project for  
10 the following reasons:

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

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

16 (4) (a) This section applies to public works contracts awarded by  
17 the state, to public works contracts awarded by school districts,  
18 (~~and~~) to public works contracts awarded by state four-year  
19 institutions of higher education, and to public works contracts  
20 awarded by a municipality. However, this section does not apply to  
21 contracts awarded by state agencies headed by a separately elected  
22 public official or housing authorities as defined in RCW 35.82.020.

23 (b) Within existing resources, awarding agencies and  
24 municipalities are responsible for monitoring apprenticeship  
25 utilization hours by contractor. There must be a specific line item  
26 in the contract specifying that apprenticeship utilization goals  
27 should be met, monetary incentives for meeting the goals, monetary  
28 penalties for not meeting the goals, and an expected cost value to be  
29 included in the bid associated with meeting the goals. The awarding  
30 agency and municipality must report the apprenticeship utilization by  
31 contractor and subcontractor to the supervisor of apprenticeship at  
32 the department of labor and industries by final project acceptance.  
33 The electronic reporting system that is being developed by the  
34 department of labor and industries may be used for either or both  
35 monitoring and reporting apprenticeship utilization hours.

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

1 (5) (a) The department of enterprise services must provide  
2 information and technical assistance to affected agencies and  
3 municipalities, and collect the following data from affected agencies  
4 and municipalities for each project covered by this section:

5 (i) The name of each apprentice and apprentice registration  
6 number;

7 (ii) The name of each project;

8 (iii) The dollar value of each project;

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

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

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

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

16 (b) The department of labor and industries shall (~~assist the~~  
17 ~~department of enterprise services in providing~~) provide information  
18 and technical assistance with apprenticeship utilization reporting.  
19 The department of enterprise services shall make available sample  
20 contract language and provide contract administration advice  
21 pertaining to apprenticeship requirements.

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

32 (7) At the request of the senate labor, commerce, research and  
33 development committee, the house of representatives commerce and  
34 labor committee, or their successor committees, and the governor, the  
35 department of enterprise services and the department of labor and  
36 industries shall compile and summarize the agency and municipality  
37 data and provide a joint report to both committees. The report  
38 (~~shall~~) must include recommendations on modifications or  
39 improvements to the apprentice utilization program and information on  
40 skill shortages in each trade or craft.

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

5 (9) This section establishes the minimum apprenticeship  
6 utilization requirements on public works contracts awarded by a  
7 municipality. Any standards or requirements relating to  
8 apprenticeship utilization established by any applicable local law or  
9 ordinance that are more favorable to apprentices than the minimum  
10 requirements under this section are not affected by this section and  
11 those more favorable laws apply and may be enforced as provided by  
12 law.

13 (10) It is the responsibility and obligation of each contractor  
14 and subcontractor to comply with the requirements under this section  
15 and no contractor or subcontractor is accountable for or vicariously  
16 liable for the failure of any other contractor or subcontractor to  
17 comply with the minimum apprenticeship utilization requirements of  
18 this section.

19 NEW SECTION. Sec. 2. Section 1 of this act takes effect July 1,  
20 2024.

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