SENATE BILL 5993

State of Washington 64th Legislature 2015 Regular Session

By Senators King, Fain, Litzow, Braun, Schoesler, Parlette, Warnick, Sheldon, Hewitt, Becker, and Brown

Read first time 02/16/15. Referred to Committee on Transportation.

- 1 AN ACT Relating to public works contracts and projects; amending
- 2 RCW 39.04.320, 39.12.026, and 39.12.020; adding a new section to
- 3 chapter 47.01 RCW; providing an effective date; and declaring an
- 4 emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 39.04.320 and 2009 c 197 s 1 are each amended to read as follows:
- 8 (1)(a) Except as provided in (b) through (d) of this subsection, 9 from January 1, 2005, and thereafter, for all public works estimated 10 to cost one million dollars or more, all specifications shall require 11 that no less than fifteen percent of the labor hours be performed by
- 12 apprentices.
- (b)(i) This section does not apply to contracts advertised for bid before July 1, 2007, for any public works by the department of
- 15 transportation.
- 16 (ii) For contracts advertised for bid on or after July 1, 2007,
- 17 and before July 1, 2008, for all public works by the department of
- 18 transportation estimated to cost five million dollars or more, all
- 19 specifications shall require that no less than ten percent of the
- 20 labor hours be performed by apprentices.

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

- (iv) For contracts advertised for bid on or after July 1, ((2009)) 2015, and before July 1, 2025, for all public works by the department of transportation estimated to cost ((two)) three million dollars or more, all specifications shall require that no less than ((fifteen)) thirteen percent of the labor hours be performed by apprentices. For purposes of this subsection (1)(b)(iv), "public" works" means a capital improvement or preservation project authorized by the legislature and specifically referenced in a line-item project appropriation for the department of transportation and identified as a connecting Washington project.
 - (v) For contracts advertised for bid on or after July 1, 2025, for all public works by the department of transportation estimated to cost three million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices. For purposes of this subsection (1)(b)(v), "public works" means a capital improvement or preservation project authorized by the legislature and specifically referenced in a line-item project appropriation for the department of transportation and identified as a connecting Washington project.
 - (c)(i) This section does not apply to contracts advertised for bid before January 1, 2008, for any public works by a school district, or to any project funded in whole or in part by bond issues approved before July 1, 2007.
 - (ii) For contracts advertised for bid on or after January 1, 2008, for all public works by a school district estimated to cost three million dollars or more, all specifications shall require that no less than ten percent of the labor hours be performed by apprentices.
- (iii) For contracts advertised for bid on or after January 1, 2009, for all public works by a school district estimated to cost two million dollars or more, all specifications shall require that no less than twelve percent of the labor hours be performed by apprentices.
- (iv) For contracts advertised for bid on or after January 1, 2010, for all public works by a school district estimated to cost one

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- 1 million dollars or more, all specifications shall require that no 2 less than fifteen percent of the labor hours be performed by 3 apprentices.
- 4 (d)(i) For contracts advertised for bid on or after January 1, 2010, for all public works by a four-year institution of higher education estimated to cost three million dollars or more, all specifications must require that no less than ten percent of the labor hours be performed by apprentices.
- 9 (ii) For contracts advertised for bid on or after January 1, 10 2011, for all public works by a four-year institution of higher 11 education estimated to cost two million dollars or more, all 12 specifications must require that no less than twelve percent of the 13 labor hours be performed by apprentices.
- (iii) For contracts advertised for bid on or after January 1, 2012, for all public works by a four-year institution of higher education estimated to cost one million dollars or more, all specifications must require that no less than fifteen percent of the labor hours be performed by apprentices.
- 19 (2) Awarding entities may adjust the requirements of this section 20 for a specific project for the following reasons:
- 21 (a) The demonstrated lack of availability of apprentices in 22 specific geographic areas;
- 23 (b) A disproportionately high ratio of material costs to labor 24 hours, which does not make feasible the required minimum levels of 25 apprentice participation;
 - (c) Participating contractors have demonstrated a good faith effort to comply with the requirements of RCW 39.04.300 and 39.04.310 and this section; or

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- 29 (d) Other criteria the awarding entity deems appropriate, which 30 are subject to review by the office of the governor.
- 31 (3) The secretary of the department of transportation shall 32 adjust the requirements of this section for a specific project for 33 the following reasons:
- 34 (a) The demonstrated lack of availability of apprentices in specific geographic areas; or
- 36 (b) A disproportionately high ratio of material costs to labor 37 hours, which does not make feasible the required minimum levels of 38 apprentice participation.
- 39 (4) This section applies to public works contracts awarded by the 40 state, to public works contracts awarded by school districts, and to

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- public works contracts awarded by state four-year institutions of higher education. However, this section does not apply to contracts awarded by state agencies headed by a separately elected public official.
- 5 (5)(a) The department of ((general administration)) enterprise 6 services must provide information and technical assistance to 7 affected agencies and collect the following data from affected 8 agencies for each project covered by this section:
- 9 (i) The name of each apprentice and apprentice registration 10 number;
- 11 (ii) The name of each project;

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- 12 (iii) The dollar value of each project;
- 13 (iv) The date of the contractor's notice to proceed;
- 14 (v) The number of apprentices and labor hours worked by them, 15 categorized by trade or craft;
- 16 (vi) The number of journey level workers and labor hours worked 17 by them, categorized by trade or craft; and
 - (vii) The number, type, and rationale for the exceptions granted under subsection (2) of this section.
 - (b) The department of labor and industries shall assist the department of ((general administration)) enterprise services in providing information and technical assistance.
 - (6) ((The secretary of transportation shall establish an apprenticeship utilization advisory committee, which shall include statewide geographic representation and consist of equal numbers of representatives of contractors and labor. The committee must include at least one member representing contractor businesses with less than thirty-five employees. The advisory committee shall meet regularly with the secretary of transportation to discuss implementation of this section by the department of transportation, including development of the process to be used to adjust the requirements of this section for a specific project. The committee shall provide a report to the legislature by January 1, 2008, on the effects of the apprentice labor requirement on transportation projects and on the availability of apprentice labor and programs statewide.
 - (7)) At the request of the senate labor, commerce, research and development committee, the house of representatives commerce and labor committee, or their successor committees, and the governor, the department of ((general administration)) enterprise services and the department of labor and industries shall compile and summarize the

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- 1 agency data and provide a joint report to both committees. The report
- 2 shall include recommendations on modifications or improvements to the
- 3 apprentice utilization program and information on skill shortages in
- 4 each trade or craft.

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- 5 **Sec. 2.** RCW 39.12.026 and 2003 c 363 s 206 are each amended to 6 read as follows:
- 7 (1) In establishing the prevailing rate of wage under RCW 8 39.12.010, 39.12.015, and 39.12.020, all data collected by the 9 department of labor and industries may be used only in the county for which the work was performed.
- 11 (2) ((This section applies only to prevailing wage surveys
 12 initiated on or after August 1, 2003.)) The department of labor and
 13 industries must provide registered contractors with the option of
 14 completing a wage survey electronically.
- 15 **Sec. 3.** RCW 39.12.020 and 2007 c 169 s 1 are each amended to 16 read as follows:
 - (1) The hourly wages to be paid to laborers, workers, or mechanics, upon all public works and under all public building service maintenance contracts of the state or any county, municipality, or political subdivision created by its laws, shall be not less than the prevailing rate of wage for an hour's work in the same trade or occupation in the locality within the state where such labor is performed. For a contract in excess of ten thousand dollars, a contractor required to pay the prevailing rate of wage shall post in a location readily visible to workers at the job site: PROVIDED, That on road construction, sewer line, pipeline, transmission line, street, or alley improvement projects for which no field office is needed or established, a contractor may post the prevailing rate of wage statement at the contractor's local office, gravel crushing, concrete, or asphalt batch plant as long as the contractor provides a copy of the wage statement to any employee on request:
 - $((\frac{1}{1}))$ (a) A copy of a statement of intent to pay prevailing wages approved by the industrial statistician of the department of labor and industries under RCW 39.12.040; and
- $((\frac{(2)}{(2)}))$ (b) The address and telephone number of the industrial statistician of the department of labor and industries where a complaint or inquiry concerning prevailing wages may be made.
 - (2) This chapter shall not apply to:

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1 <u>(a) W</u>orkers or other persons regularly employed by the state, or 2 any county, municipality, or political subdivision created by its 3 laws; or

(b) Workers or other persons involved in the fabrication or 4 manufacture of nonstandard items used in connection with or 5 6 incorporated into a public works project, when the work is not performed at the site of the project and is not customarily and 7 normally performed at the site of the project. For the purposes of 8 this subsection, "site of the project" means the physical location or 9 10 locations of the public works project where the building or work will remain, any locations established specifically for the fabrication or 11 manufacture of items for the project, and any locations dedicated 12 exclusively, or nearly so, to the contractor or project that are 13 adjacent or virtually adjacent to the physical location of the 14 project. For purposes of this subsection (2)(b), "public works" 15 project" means a capital improvement or preservation project 16 17 authorized by the legislature and specifically referenced in a lineitem project appropriation for the department of transportation and 18 19 identified as a connecting Washington project.

NEW SECTION. Sec. 4. A new section is added to chapter 47.01
RCW to read as follows:

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The state coordinator for the federal helmets to hardhats program is created in the department, subject to the availability of amounts appropriated for this specific purpose. The department must establish procedures, in consultation with the department of veterans affairs and applicable veterans and labor organizations, for coordinating with the federal helmets to hardhats program and other opportunities for veterans to obtain skilled training and employment in the construction industry.

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2015.

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