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## Capital Budget Committee

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### HB 1633

**Brief Description:** Concerning prime contractor bidding submission requirements on public works contracts.

**Sponsors:** Representatives Hill, Waters, Bergquist, Obras, Taylor, Ormsby, Berry, Peterson, Gregerson, Parshley, Reed, Reeves, Simmons, Thomas and Nance.

#### Brief Summary of Bill

- Requires that certain subcontractors named by prime contractors in public works projects be licensed at the time they are named by the prime contractor.
- Removes the inability of a subcontractor to obtain the necessary license as a basis for which a prime contractor may substitute a listed subcontractor.
- Removes an outdated direction to the Capital Projects Advisory Review Board to prepare a report.

**Hearing Date:** 2/6/25

**Staff:** Robert Hatfield (786-7117).

#### **Background:**

##### Public works.

Public works include all work, construction, alterations, repairs, or improvements, other than ordinary maintenance, executed at the cost of the state or of any municipality. A competitive bidding process is required for most public works projects. State law generally requires agencies to award public works contracts to a responsible bidder with the lowest responsive bid. Contractors that provide the bid are referred to as the prime contractor and they may subcontract

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portions of the work to other specialized contractors.

For public works projects expected to cost over \$1 million, within one hour after the published bid submittal time, the prime contractor must identify the subcontractors that will perform the following classes of work: heating, ventilation, and air conditioning; plumbing; and electrical work. Alternatively, the prime contractor may name itself to perform the work.

Substitution of a listed subcontractor in furtherance of bid shopping or bid peddling before or after the award of the prime contract is prohibited. A prime contractor may substitute a listed subcontractor in certain instances, including the inability of the subcontractor to obtain the necessary license to perform the work detailed in the contract.

#### Capital Projects Advisory Review Board.

The Capital Projects Advisory Review Board (Board) reviews Washington's alternative public works contracting procedures and provides guidance to state policymakers on ways to further enhance the quality, efficiency, and accountability of public works contracting methods.

Pursuant to legislation enacted in 2020, the Board was required to submit a report to the Governor and the Legislature by November 1, 2020, that addressed certain matters relating to public works contracting and subcontractors.

#### **Summary of Bill:**

The requirement for a prime contractor to submit the names of subcontractors with whom it will subcontract for work related to plumbing, electrical, and heating, ventilation, and air conditioning, is modified to require that the prime contractor submit the names of subcontractors who are licensed to perform the work of plumbing, electrical, and heating, ventilation, and air conditioning. The prime contractor may name itself to perform the work of plumbing, electrical, and heating, ventilation, and air conditioning, if it is licensed to perform the work for which it has named itself.

The instances in which a prime contractor may substitute a subcontractor that it has listed to perform certain work are modified to remove the inability of the subcontractor to obtain the necessary license to perform the work detailed in the contract.

An outdated direction to the Capital Projects Advisory Review Board to submit a report is removed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.