
Labor & Workplace Standards Committee

E2SSB 5061

Brief Description: Requiring certain wages in public works contracts to be at least the prevailing wage in effect when the work is performed.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Conway, Saldaña, Riccelli, Liias, Valdez, Chapman, Hasegawa, Nobles, Salomon and Stanford).

Brief Summary of Engrossed Second Substitute Bill

- Requires public works contracts to include annual adjustments to the minimum hourly wage for laborers, workers, and mechanics based on the latest prevailing wage rate, with some exceptions, rather than basing those wages on the prevailing wage rate in effect at the time of the applicable contract bid or award.

Hearing Date: 2/18/26

Staff: Kelly Leonard (786-7147).

Background:

Public works include all work, construction, alteration, repair, or improvement, other than ordinary maintenance, done at the cost of the state or any municipality. State law requires open competitive bidding for public works projects, with some exceptions. The small works roster process allows the state or municipality to solicit bids from contractors on the roster rather than advertising the contract in an open bidding process. The small works roster process may be used for awarding contracts estimated to cost \$300,000 or less. A small works roster includes any responsible contractor who requests to be on the roster, which may be a single general list or lists for specialties or categories of work. Regardless of the method for awarding the contract, public

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works contracts for construction, reconstruction, maintenance, or repair must state the hourly minimum wage rate to be paid to laborers, workers, or mechanics.

Employers are required to pay laborers, workers, and mechanics on public works contracts and public building service maintenance contracts at least the prevailing wage rate. The prevailing wage rate is the hourly wage, usual benefits, and overtime paid to the majority of workers in the same trade or occupation in the largest city in the county where the work is performed. The Department of Labor and Industries (L&I) publishes prevailing wage rates on the first business day in August and February, and any updated rates take effect 30 days after publication. The L&I industrial statistician sets prevailing wage rates based on collective bargaining agreements (CBAs) for a trade or occupation, with some exceptions. For a trade or occupation with more than one agreement in a county, the industrial statistician will adopt the higher rate. For trades and occupations for which there are no CBAs in a county, the industrial statistician must conduct wage and hour surveys. To establish the prevailing wage for residential construction, the industrial statistician also uses wage and hour surveys. Residential construction is the construction, alteration, repair, improvement, or maintenance of single-family dwellings, duplexes, apartments, condominiums, and other residential structures not exceeding four stories in height, in certain specified categories, like affordable housing, home rehabilitation programs, and homeless and domestic violence shelters.

The prevailing wage rate for workers is determined at the time of the prime contractor's bid due date, or the date the contract is awarded if the contract is not awarded within six months of the bid due date. The prevailing wage rate determined at that time remains the same for the life of the project.

Summary of Bill:

Except for small works roster projects or residential construction, public works contracts must stipulate that the hourly minimum rate of wage for laborers, workers, or mechanics must be adjusted annually, based on the contract date, to provide that such wage is not less than the latest prevailing wage rate.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2027.