

SENATE BILL REPORT

SB 5383

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, MARCH 6, 1991

Brief Description: Regarding the administration of prevailing wages.

SPONSORS: Senators Hansen, Snyder, Matson, Barr and Skratek.

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5383 be substituted therefor, and the substitute bill do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, Moore, and Skratek.

Staff: Jonathan Seib (786-7427)

Hearing Dates: March 5, 1991; March 6, 1991

BACKGROUND:

Before payment can be made on any public works contract, the contractor and every subcontractor must complete a statement of intent to pay prevailing wages. The statement must be approved by the Department of Labor and Industries and then submitted to the awarding agency.

Following final acceptance of the project, the contractor and every subcontractor must complete an affidavit of wages paid before any retained funds are released. The affidavit must be approved by the Department of Labor and Industries and then submitted to the awarding agency.

On small public works projects, this process reportedly causes unreasonable delays in the payment of contractors.

SUMMARY:

For public works projects of \$2,500 or less, an awarding agency may authorize the contractor to submit the statement of intent to pay prevailing wages directly to it, without approval of the Department of Labor and Industries. The statements are to be retained for at least three years.

Upon final acceptance of the public works project of \$2,500 or less, the contractor is to submit an affidavit of wages paid to the awarding agency. Upon receipt of the affidavit, the awarding agency may pay the contractor in full. Within 30 days of receipt, the awarding agency is to submit the affidavit to the department for approval.

Statements of intent and affidavits of wages paid are to be on forms approved by the department.

In the event of a wage claim and a finding for the claimant, the awarding agency is to pay wages due directly to the claimant. The awarding agency may then seek reimbursement from and debar the contractor if the contractor did not pay the wages stated in the affidavit of wages paid.

An awarding agency may not subdivide public works contracts of more than \$2,500 in order to circumvent the law.

EFFECT OF PROPOSED SUBSTITUTE:

The alternative approach procedure authorized in the bill is made available to both contractors and subcontractors.

Language is added clarifying that the wage claim and reimbursement provision of the bill applies only where an awarding agency chooses to use the alternative approval procedure authorized in the bill, and not to prevailing wage claims in general.

Language is added clarifying that debarment can only be for a period of up to one year and will only apply as to the particular awarding agency.

Appropriation: none

Revenue: none

Fiscal Note: requested March 1, 1991

TESTIMONY FOR:

With the clarifications in the substitute bill, the bill provides a faster, more efficient means to administer the prevailing wage law on small public works projects. It will save awarding agencies time and money, and enable contractors to be paid more quickly.

TESTIMONY AGAINST: None

TESTIFIED: Scott Taylor, WA Public Ports Assn.; Jim Bush, Dept. of Transportation