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SENATE BILL 6186

State of Washington

63rd Legislature

2014 Regular Session

By Senator King

Read first time 01/17/14. Referred to Committee on Commerce & Labor.

- 1 AN ACT Relating to certain public works contracting requirements;
- and amending RCW 39.04.320, 39.12.026, and 39.12.010.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 39.04.320 and 2009 c 197 s 1 are each amended to read 5 as follows:
- 6 (1)(a) Except as provided in (b) through (d) of this subsection,
 7 from January 1, 2005, and thereafter, for all public works estimated to
 8 cost one million dollars or more, all specifications shall require that
 9 no less than fifteen percent of the labor hours be performed by
 10 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 transportation.
- (ii) For contracts advertised for bid on or after July 1, 2007, and before July 1, 2008, for all public works by the department of transportation estimated to cost five million dollars or more, all specifications shall require that no less than ten percent of the 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, for all public works by the department of transportation estimated to cost ((two)) four million dollars or more, all specifications shall require that no less than ((fifteen)) thirteen percent of the labor hours be performed by apprentices.
- (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 million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.
 - (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.
 - (ii) For contracts advertised for bid on or after January 1, 2011, for all public works by a four-year institution of higher education estimated to cost two million dollars or more, all specifications must require that no less than twelve percent of the 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

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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.

- (2) Awarding entities may adjust the requirements of this section for a specific project for the following reasons:
- (a) The demonstrated lack of availability of apprentices in specific geographic areas;
- (b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of 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
- 14 (d) Other criteria the awarding entity deems appropriate, which are 15 subject to review by the office of the governor.
 - (3) The secretary of the department of transportation shall adjust the requirements of this section for a specific project for the following reasons:
 - (a) The demonstrated lack of availability of apprentices in specific geographic areas; or
 - (b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation.
 - (4) This section applies to public works contracts awarded by the state, to public works contracts awarded by school districts, and to 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.
- 30 (5)(a) The department of ((general administration)) enterprise 31 services must provide information and technical assistance to affected 32 agencies and collect the following data from affected agencies for each 33 project covered by this section:
- 34 (i) The name of each apprentice and apprentice registration number;
 - (ii) The name of each project;

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- 36 (iii) The dollar value of each project;
- 37 (iv) The date of the contractor's notice to proceed;

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1 (v) The number of apprentices and labor hours worked by them, 2 categorized by trade or craft;

- (vi) The number of journey level workers and labor hours worked 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 agency data and provide a joint report to both committees. The report shall include recommendations on modifications or improvements to the apprentice utilization program and information on skill shortages in each trade or craft.
- Sec. 2. RCW 39.12.026 and 2003 c 363 s 206 are each amended to read as follows:
- 34 (1) In establishing the prevailing rate of wage under RCW 39.12.010, 39.12.015, and 39.12.020, all data collected by the department of labor and industries may be used only in the county for which the work was performed.

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(2) ((This section applies only to prevailing wage surveys initiated on or after August 1, 2003.)) The department of labor and industries must provide registered contractors with the option of completing a wage survey electronically.

- Sec. 3. RCW 39.12.010 and 1989 c 12 s 6 are each amended to read as follows:
 - (1) The "prevailing rate of wage", for the intents and purposes of this chapter, shall be the rate of hourly wage, usual benefits, and overtime paid in the locality, as hereinafter defined, to the majority of workers, laborers, or mechanics, in the same trade or occupation employed directly on the site of work. In the event that there is not a majority in the same trade or occupation paid at the same rate, then the average rate of hourly wage and overtime paid to such laborers, workers, or mechanics in the same trade or occupation shall be the prevailing rate. If the wage paid by any contractor or subcontractor to laborers, workers, or mechanics on any public work is based on some period of time other than an hour, the hourly wage for the purposes of this chapter shall be mathematically determined by the number of hours worked in such period of time.
- 20 (2) The "locality" for the purposes of this chapter shall be the 21 largest city in the county wherein the physical work is being 22 performed.
 - (3) The "usual benefits" for the purposes of this chapter shall include the amount of:
 - (a) The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person pursuant to a fund, plan, or program; and
 - (b) The rate of costs to the contractor or subcontractor which may be reasonably anticipated in providing benefits to workers, laborers, and mechanics pursuant to an enforceable commitment to carry out a financially responsible plan or program which was communicated in writing to the workers, laborers, and mechanics affected, for medical or hospital care, pensions on retirement or death, compensation for injuries or illness resulting from occupational activity, or insurance to provide any of the foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or accident insurance, for vacation and holiday pay, for defraying costs of apprenticeship or

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other similar programs, or for other bona fide fringe benefits, but only where the contractor or subcontractor is not required by other federal, state, or local law to provide any of such benefits.

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(4) An "interested party" for the purposes of this chapter shall include a contractor, subcontractor, an employee of a contractor or subcontractor, an organization whose members' wages, benefits, and conditions of employment are affected by this chapter, and the director of labor and industries or the director's designee.

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