

# SENATE BILL REPORT

## SB 5993

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As of February 18, 2015

**Title:** An act relating to public works contracts and projects.

**Brief Description:** Concerning public works contracts and projects.

**Sponsors:** Senators King, Fain, Litzow, Braun, Schoesler, Parlette, Warnick, Sheldon, Hewitt, Becker and Brown.

**Brief History:**

**Committee Activity:** Transportation: 2/17/15.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Clint McCarthy (786-7319)

**Background:** For contracts advertised for bid on or after July 1, 2009, for all public works by the Department of Transportation (DOT) estimated to cost \$2 million or more, all specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

The Department of Labor and Industries does not provide registered contractors with the option of completing a wage survey to assist in the establishment of a prevailing wage rate electronically.

Under current law, public employees are the only classification of employees exempt from prevailing wage requirements.

Helmets to Hardhats is a national nonprofit program designed to connect National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and career opportunities in the construction industry.

**Summary of Bill:** Contracts advertised for bid on or after July 1, 2015, and before July 1, 2025, for all public works by DOT estimated to cost \$3 million or more must require that no less than 13 percent of the labor hours be performed by apprentices. Public works is defined as a capital improvement or preservation project authorized by the Legislature and specifically referenced in a line-item project appropriation for DOT and identified as a Connecting Washington project. For contracts advertised for bid on or after July 1, 2025, all

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public works by DOT estimated to cost \$3 million or more, all specifications must require that not less than 15 percent of the labor hours be performed by apprentices.

The Department of Labor and Industries must provide registered contractors with the option of completing a wage survey electronically.

Workers and other persons involved in the fabrication or manufacture of nonstandard items used in connection with a public works project that is not customarily and normally performed at the site of the project are exempt from having their hourly wage be not less than the prevailing rate of wage for an hour's work.

The state coordinator for the federal Helmets to Hardhats program is created at DOT. DOT must establish procedures, in consultation with the Department of Veterans Affairs and applicable veterans and labor organizations, for coordinating opportunities for veterans to obtain skilled training and employment in the construction industry.

**Appropriation:** None.

**Fiscal Note:** Requested on February 13, 2015.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2015.

**Staff Summary of Public Testimony:** PRO: Contractors are strongly involved in the apprenticeship program and are concerned with how the bill will impact the program. Relaxed apprenticeship will reduce costs and increase competition.

CON: More apprenticeship hours are needed to fill in for an aging workforce, not less hours. The prevailing wage was not a cost driver in the Joint Transportation Committee report on cost drivers. Fifteen percent is the national standard rate. Apprenticeship is the only way to pay less than journeyman rates, so it should be an economic advantage.

**Persons Testifying:** PRO: Rick Wickman, Identity Clark County; Kathleen Garrity, Associated Builders & Contractors of Western WA.

CON: Joe Kendo, WA State Labor Council; Lee Newgent, WA Building & Construction Trades Council.