

HOUSE BILL REPORT

SHB 1673

As Reported by House Committee On: Labor & Workplace Standards

Title: An act relating to adding training on public works and prevailing wage requirements to responsible bidder criteria.

Brief Description: Adding training on public works and prevailing wage requirements to responsible bidder criteria.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Doglio, Sells, Gregerson, Ormsby, Macri, Goodman, Frame, Stonier, McBride, Cody, Senn, Ortiz-Self and Pollet).

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/2/17, 2/13/17 [DPS], 1/9/18 [DP2S];
Appropriations: 2/22/17 [DPS(LAWS)].

Brief Summary of Second Substitute Bill

- Requires training in public works and prevailing wage to be a responsible bidder on public works.
- Exempts bidders who have completed three or more public works projects and have had a Washington business license for at least three years.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 4 members: Representatives Sells, Chair; Gregerson, Vice Chair; Doglio and Frame.

Minority Report: Do not pass. Signed by 3 members: Representatives McCabe, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Manweller.

Staff: Joan Elgee (786-7106).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Bidders for public works contracts must meet responsibility criteria to be qualified for a contract. To be a responsible bidder, the bidder must:

- be a registered contractor;
- have a current state Unified Business Identifier number;
- have, if applicable, industrial insurance coverage for employees, an Employment Security Department number, and a state excise tax registration number;
- not be disqualified from bidding due to violations on a previous contract including: not being registered, not obtaining the state Unified Business Identifier number for a subcontractor, or prevailing wage violations; and
- if the project is subject to apprenticeship utilization requirements, not have been found out of compliance with certain apprenticeship requirements.

Contractors must verify responsibility criteria for each first-tier subcontractor, and subcontractors must verify the criteria for each of their subcontractors.

In general terms, "public works" is all work, construction, alteration, repair or improvement that is executed at the cost of the state or any other local public agency. Prevailing wages must be paid on all public works. The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in each county to the majority of individuals in the same trade or occupation.

Contractor training classes offered by the Department of Labor and Industries (Department) include training on prevailing wages.

Summary of Second Substitute Bill:

To qualify as a responsible bidder, contractors and subcontractors must have received training from the Department or training by a provider whose curriculum is approved by the Department relating to the requirements associated with public works and prevailing wage. The training must be 4 hours in length. Bidders who have completed three or more public works projects and have had a valid Washington business license for three or more years are exempt. The bidder must designate a person or persons to be trained.

The Department must keep records of entities that have satisfied the training requirements or are exempt and post the records on its website. Responsible parties may rely on the records.

The provisions are null and void unless funded in the operating budget.

Second Substitute Bill Compared to Substitute Bill:

The second substitute makes a technical change to update the underlying law being amended and update the dates.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect July 1, 2019. However, the bill is null and void unless funded in the budget

Staff Summary of Public Testimony:

See House Bill Report in the 2017 Legislative Session.

Persons Testifying:

See House Bill Report in the 2017 Legislative Session.

Persons Signed In To Testify But Not Testifying: None.