

HOUSE BILL REPORT

E2SHB 1673

As Passed House:
February 7, 2018

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)], 1/22/18, 1/24/18 [DP2S].

Floor Activity:

Passed House: 3/3/17, 59-38.

Floor Activity:

Passed House: 2/7/18, 63-35.

Brief Summary of Engrossed 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.

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.

Staff: Joan Elgee (786-7106).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 17 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Senn, Springer, Stanford, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 15 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Caldier, Condotta, Graves, Haler, Harris, Manweller, Schmick, Taylor, Vick, Volz and Wilcox.

Staff: Kelci Karl-Robinson (786-7116).

Background:

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. A Prevailing Wage Advisory Committee (PWAC) reviews and makes recommendations on public works policy alternatives submitted to the Department.

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

Summary of Engrossed 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 Department must determine the length of the training in consultation with the PWAC.

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.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony (Labor & Workplace Standards):

See House Bill Report in the 2017 Legislative Session.

Staff Summary of Public Testimony (Appropriations):

(In support) None.

(Opposed) None.

Persons Testifying (Labor & Workplace Standards):

See House Bill Report in the 2017 Legislative Session.

Persons Testifying (Appropriations): None.

Persons Signed In To Testify But Not Testifying (Labor & Workplace Standards):

See House Bill Report in the 2017 Legislative Session.

Persons Signed In To Testify But Not Testifying (Appropriations): None.