
Capital Budget Committee

SSB 5301

Brief Description: Including willful violations of certain state laws to the state's responsible bidder criteria.

Sponsors: Senate Committee on State Government (originally sponsored by Senators Miloscia, Hunt, Hasegawa, Chase and Conway; by request of Attorney General).

Brief Summary of Substitute Bill

- Amends low responsive bidder criteria to include requirements that: (1) the bidder cannot have been determined by the Department of Labor and Industries to have violated a wage payment has been violated within the past three years, and; (2) the bidder must provide a written statement that the bidder is in compliance with this wage requirement.

Hearing Date: 3/21/17

Staff: Steve Masse (786-7115).

Background:

Public Works Contracting.

Public works projects include construction, building, renovation, remodeling, alteration, repair, or improvement of real property. Generally public agencies are required to award public works contracts to the lowest responsible bidder. To be a considered a "responsible bidder" who is qualified to be awarded a public works project, the bidder must: (1) be a registered contractor; (2) have a current state Unified Business Identifier number; (3) if applicable, have industrial insurance coverage for employees working in Washington, have an Employment Security Department number, and an excise tax registration number; (4) not be disqualified for being unlicensed or unregistered, and have kept accurate records regarding subcontractors over the last two years; (5) have maintained compliance with apprenticeship utilization requirements over the past year; and (6) have met any supplemental criteria as established by the state or municipality. A contractor is not permitted to bid on a public works contract if the contractor was assessed a

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civil penalty by the Department of Labor and Industries for the failure to pay prevailing wages, and the penalty remains unpaid. The failure to pay prevailing wages twice in a five-year period disqualifies a bidder for two years. A contractor is barred from bidding on any public works contract for one year if the contractor committed any two of the following violations within a five-year period: (1) failing to register as a contractor; (2) filing false payroll reports; (3) failing to obtain industrial insurance coverage; or (4) working apprentices out of ratio, without supervision, or outside their approved work processes.

Goods and Services.

Public procurement of goods and services is generally handled through a competitive solicitation and bidding process. The award for the purchase or contract is given to the lowest responsive and responsible bidder. Under this process, the agency determining a "responsible bidder" must consider elements such as the bidder's ability, capacity, and skill; character, integrity, reputation, judgment, experience, and efficiency; quality of previous performance; and compliance with related contracting laws. When considering the "lowest responsive and responsible bidder," the agency may consider a best value criteria.

Summary of Bill:

The requirements for being a low responsive bidder for public works contracts and for bidders for goods and services are modified. Within a three-year period preceding the bid solicitation the contractor cannot have been cited by the Department of Labor and Industries for having willfully violated: (1) wage payment requirements; (2) minimum wage rate payments; and (3) proper wage deductions for benefits and contributions, additionally the bidder must submit a signed statement of being in compliance with the Department of Labor and Industries wage requirements before the contract is awarded.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.