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**SUBSTITUTE SENATE BILL 5576**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** Senate Labor & Commerce (originally sponsored by Senators Keiser, Fortunato, Conway, Miloscia, Hobbs, Takko, Hasegawa, Wellman, and Saldaña)

READ FIRST TIME 01/17/18.

1 AN ACT Relating to compliance with apprenticeship utilization  
2 requirements; amending RCW 39.04.320; and adding a new section to  
3 chapter 49.04 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 39.04.320 and 2015 3rd sp.s. c 40 s 1 are each  
6 amended to read as follows:

7 (1)(a) Except as provided in (b) through (d) of this subsection,  
8 from January 1, 2005, and thereafter, for all public works estimated  
9 to cost one million dollars or more, all specifications shall require  
10 that no less than fifteen percent of the labor hours be performed by  
11 apprentices.

12 (b)(i) This section does not apply to contracts advertised for  
13 bid before July 1, 2007, for any public works by the department of  
14 transportation.

15 (ii) For contracts advertised for bid on or after July 1, 2007,  
16 and before July 1, 2008, for all public works by the department of  
17 transportation estimated to cost five million dollars or more, all  
18 specifications shall require that no less than ten percent of the  
19 labor hours be performed by apprentices.

20 (iii) For contracts advertised for bid on or after July 1, 2008,  
21 and before July 1, 2009, for all public works by the department of

1 transportation estimated to cost three million dollars or more, all  
2 specifications shall require that no less than twelve percent of the  
3 labor hours be performed by apprentices.

4 (iv) For contracts advertised for bid on or after July 1, 2015,  
5 and before July 1, 2020, for all public works by the department of  
6 transportation estimated to cost three million dollars or more, all  
7 specifications shall require that no less than fifteen percent of the  
8 labor hours be performed by apprentices.

9 (v) For contracts advertised for bid on or after July 1, 2020,  
10 for all public works by the department of transportation estimated to  
11 cost two million dollars or more, all specifications shall require  
12 that no less than fifteen percent of the labor hours be performed by  
13 apprentices.

14 (c)(i) This section does not apply to contracts advertised for  
15 bid before January 1, 2008, for any public works by a school  
16 district, or to any project funded in whole or in part by bond issues  
17 approved before July 1, 2007.

18 (ii) For contracts advertised for bid on or after January 1,  
19 2008, for all public works by a school district estimated to cost  
20 three million dollars or more, all specifications shall require that  
21 no less than ten percent of the labor hours be performed by  
22 apprentices.

23 (iii) For contracts advertised for bid on or after January 1,  
24 2009, for all public works by a school district estimated to cost two  
25 million dollars or more, all specifications shall require that no  
26 less than twelve percent of the labor hours be performed by  
27 apprentices.

28 (iv) For contracts advertised for bid on or after January 1,  
29 2010, for all public works by a school district estimated to cost one  
30 million dollars or more, all specifications shall require that no  
31 less than fifteen percent of the labor hours be performed by  
32 apprentices.

33 (d)(i) For contracts advertised for bid on or after January 1,  
34 2010, for all public works by a four-year institution of higher  
35 education estimated to cost three million dollars or more, all  
36 specifications must require that no less than ten percent of the  
37 labor hours be performed by apprentices.

38 (ii) For contracts advertised for bid on or after January 1,  
39 2011, for all public works by a four-year institution of higher  
40 education estimated to cost two million dollars or more, all

1 specifications must require that no less than twelve percent of the  
2 labor hours be performed by apprentices.

3 (iii) For contracts advertised for bid on or after January 1,  
4 2012, for all public works by a four-year institution of higher  
5 education estimated to cost one million dollars or more, all  
6 specifications must require that no less than fifteen percent of the  
7 labor hours be performed by apprentices.

8 (2) Awarding entities may adjust the requirements of this section  
9 for a specific project for the following reasons:

10 (a) The demonstrated lack of availability of apprentices in  
11 specific geographic areas;

12 (b) A disproportionately high ratio of material costs to labor  
13 hours, which does not make feasible the required minimum levels of  
14 apprentice participation;

15 (c) Participating contractors have demonstrated a good faith  
16 effort to comply with the requirements of RCW 39.04.300 and 39.04.310  
17 and this section; or

18 (d) Other criteria the awarding entity deems appropriate, which  
19 are subject to review by the office of the governor.

20 (3) The secretary of the department of transportation shall  
21 adjust the requirements of this section for a specific project for  
22 the following reasons:

23 (a) The demonstrated lack of availability of apprentices in  
24 specific geographic areas; or

25 (b) A disproportionately high ratio of material costs to labor  
26 hours, which does not make feasible the required minimum levels of  
27 apprentice participation.

28 (4)(a) This section applies to public works contracts awarded by  
29 the state, to public works contracts awarded by school districts, and  
30 to public works contracts awarded by state four-year institutions of  
31 higher education. However, this section does not apply to contracts  
32 awarded by state agencies headed by a separately elected public  
33 official.

34 (b) Awarding agencies are responsible for monitoring  
35 apprenticeship utilization hours by contractor. There must be a  
36 specific line item in the contract specifying that apprenticeship  
37 utilization goals should be met, monetary incentives for meeting the  
38 goals, monetary penalties for not meeting the goals, and an expected  
39 cost value to be included in the bid associated with meeting the  
40 goals. The awarding agency must report the apprenticeship utilization

1 by contractor and subcontractor to the supervisor of apprenticeship  
2 at the department of labor and industries by final project  
3 acceptance.

4 (5)(a) The department of enterprise services must provide  
5 information and technical assistance to affected agencies and collect  
6 the following data from affected agencies for each project covered by  
7 this section:

8 (i) The name of each apprentice and apprentice registration  
9 number;

10 (ii) The name of each project;

11 (iii) The dollar value of each project;

12 (iv) The date of the contractor's notice to proceed;

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

15 (vi) The number of journey level workers and labor hours worked  
16 by them, categorized by trade or craft; and

17 (vii) The number, type, and rationale for the exceptions granted  
18 under subsection (2) of this section.

19 (b) The department of labor and industries shall assist the  
20 department of enterprise services in providing information and  
21 technical assistance.

22 (6) The secretary of transportation shall establish an  
23 apprenticeship utilization advisory committee, which shall include  
24 statewide geographic representation and consist of equal numbers of  
25 representatives of contractors and labor. The committee must include  
26 at least one member representing contractor businesses with less than  
27 thirty-five employees. The advisory committee shall meet regularly  
28 with the secretary of transportation to discuss implementation of  
29 this section by the department of transportation, including  
30 development of the process to be used to adjust the requirements of  
31 this section for a specific project.

32 (7) At the request of the senate labor, commerce, research and  
33 development committee, the house of representatives commerce and  
34 labor committee, or their successor committees, and the governor, the  
35 department of enterprise services and the department of labor and  
36 industries shall compile and summarize the agency data and provide a  
37 joint report to both committees. The report shall include  
38 recommendations on modifications or improvements to the apprentice  
39 utilization program and information on skill shortages in each trade  
40 or craft.

1       (8) All contracts subject to this section must include  
2 specifications that a contractor or subcontractor may not be required  
3 to exceed the apprenticeship utilization requirements of this  
4 section.

5       NEW SECTION. Sec. 2. A new section is added to chapter 49.04  
6 RCW to read as follows:

7       (1) In addition to the duties established under RCW 49.04.030,  
8 the supervisor of apprenticeship must verify compliance by  
9 contractors, subcontractors, and awarding agencies of apprenticeship  
10 utilization requirements. The supervisor may coordinate with the  
11 department of enterprise services, the state department of  
12 transportation, the office of the superintendent of public  
13 instruction, and any other appropriate agency or organization to  
14 assist in tracking compliance.

15       (2) Compliance information must be made available to the  
16 apprenticeship council and must be used to determine compliance for  
17 purposes of RCW 39.04.350 and 39.12.055.

18       (3) The director of labor and industries must adopt rules to  
19 implement this section.

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