

---

ENGROSSED SUBSTITUTE HOUSE BILL 1050

---

State of Washington

68th Legislature

2023 Regular Session

By House Capital Budget (originally sponsored by Representatives Riccelli, Berry, Simmons, Ryu, Goodman, Reed, Ramel, Lekanoff, Pollet, Street, Doglio, Donaghy, Wylie, Santos, Ormsby, and Fosse)

READ FIRST TIME 02/22/23.

1 AN ACT Relating to expanding apprenticeship utilization  
2 requirements; amending RCW 39.04.320; and providing an effective  
3 date. Test

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

5 **Sec. 1.** RCW 39.04.320 and 2018 c 244 s 1 are each amended to  
6 read as follows:

7 (1)(a)(i) Except as provided in (b) through (d) of this  
8 subsection, from January 1, 2005, and thereafter, for all public  
9 works estimated to cost ~~((one million dollars))~~ \$1,000,000 or more,  
10 all specifications ~~((shall))~~ must require that no less than  
11 ~~((fifteen))~~ 15 percent of the labor hours be performed by  
12 apprentices.

13 (ii) As of the effective date of this section, for all public  
14 works contracts awarded by a municipality estimated to cost  
15 \$1,000,000 or more, all specifications must require that no less than  
16 15 percent of the labor hours be performed by apprentices.

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

20 ~~((ii) For contracts advertised for bid on or after July 1, 2007,~~  
21 ~~and before July 1, 2008, for all public works by the department of~~

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

4 ~~(iii) For contracts advertised for bid on or after July 1, 2008,~~  
5 ~~and before July 1, 2009, 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 twelve percent of the~~  
8 ~~labor hours be performed by apprentices.~~

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

14 ~~(v)) For contracts advertised for bid on or after July 1, 2020,~~  
15 ~~for all public works by the department of transportation estimated to~~  
16 ~~cost ((two million dollars)) \$2,000,000 or more, all specifications~~  
17 ~~((shall)) must require that no less than ((fifteen)) 15 percent of~~  
18 ~~the labor hours be performed by apprentices.~~

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

23 ~~(ii) For contracts advertised for bid on or after January 1,~~  
24 ~~2008, for all public works by a school district estimated to cost~~  
25 ~~three million dollars or more, all specifications shall require that~~  
26 ~~no less than ten percent of the labor hours be performed by~~  
27 ~~apprentices.~~

28 ~~(iii) For contracts advertised for bid on or after January 1,~~  
29 ~~2009, for all public works by a school district estimated to cost two~~  
30 ~~million dollars or more, all specifications shall require that no~~  
31 ~~less than twelve percent of the labor hours be performed by~~  
32 ~~apprentices.~~

33 ~~(iv)) For contracts advertised for bid on or after January 1,~~  
34 ~~2010, for all public works by a school district estimated to cost~~  
35 ~~((one million dollars)) \$1,000,000 or more, all specifications~~  
36 ~~((shall)) must require that no less than ((fifteen)) 15 percent of~~  
37 ~~the labor hours be performed by apprentices.~~

38 ~~(d) ((i) For contracts advertised for bid on or after January 1,~~  
39 ~~2010, for all public works by a four-year institution of higher~~  
40 ~~education estimated to cost three million dollars or more, all~~

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

3 ~~(ii) For contracts advertised for bid on or after January 1,~~  
4 ~~2011, for all public works by a four-year institution of higher~~  
5 ~~education estimated to cost two million dollars or more, all~~  
6 ~~specifications must require that no less than twelve percent of the~~  
7 ~~labor hours be performed by apprentices.~~

8 ~~(iii))~~ For contracts advertised for bid on or after January 1,  
9 2012, for all public works by a four-year institution of higher  
10 education estimated to cost ~~((one million dollars))~~ \$1,000,000 or  
11 more, all specifications must require that no less than ~~((fifteen))~~  
12 15 percent of the labor hours be performed by apprentices.

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

15 (a) The demonstrated lack of availability of apprentices in  
16 specific geographic areas;

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

20 (c) Participating contractors have demonstrated a good faith  
21 effort to comply with the requirements of ~~((RCW 39.04.300 and~~  
22 ~~39.04.310 and))~~ this section; or

23 (d) Other criteria the awarding entity deems appropriate, which  
24 are subject to review by the office of the governor or the  
25 municipality's legislative authority if the awarding entity is a  
26 municipality.

27 (3) The secretary of the department of transportation shall  
28 adjust the requirements of this section for a specific project for  
29 the following reasons:

30 (a) The demonstrated lack of availability of apprentices in  
31 specific geographic areas; or

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

35 (4) (a) This section applies to public works contracts awarded by  
36 the state, to public works contracts awarded by school districts,  
37 ~~((and))~~ to public works contracts awarded by state four-year  
38 institutions of higher education, and to public works contracts  
39 awarded by a municipality. However, this section does not apply to

1 contracts awarded by state agencies headed by a separately elected  
2 public official or housing authorities as defined in RCW 35.82.020.

3 (b) Within existing resources, awarding agencies and  
4 municipalities are responsible for monitoring apprenticeship  
5 utilization hours by contractor. There must be a specific line item  
6 in the contract specifying that apprenticeship utilization goals  
7 should be met, monetary incentives for meeting the goals, monetary  
8 penalties for not meeting the goals, and an expected cost value to be  
9 included in the bid associated with meeting the goals. The awarding  
10 agency and municipality must report the apprenticeship utilization by  
11 contractor and subcontractor to the supervisor of apprenticeship at  
12 the department of labor and industries by final project acceptance.  
13 The electronic reporting system that is being developed by the  
14 department of labor and industries may be used for either or both  
15 monitoring and reporting apprenticeship utilization hours.

16 (c) In lieu of the monetary penalty and incentive requirements  
17 specified in (b) of this subsection, the Washington state department  
18 of transportation may use its three strike system for ensuring  
19 compliance including the allowance for a good faith effort.

20 (5) (a) The department of (~~enterprise services~~) labor and  
21 industries must provide information and technical assistance to  
22 affected agencies and municipalities, and collect the following data  
23 from affected agencies and municipalities for each project covered by  
24 this section:

25 (i) The name of each apprentice and apprentice registration  
26 number;

27 (ii) The name of each project;

28 (iii) The dollar value of each project;

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

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

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

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

36 (b) The department of labor and industries shall (~~assist the~~  
37 ~~department of enterprise services in providing~~) provide information  
38 and technical assistance with apprenticeship utilization reporting.  
39 The department of enterprise services shall make available sample

1 contract language and provide contract administration advice  
2 pertaining to apprenticeship requirements.

3 (6) The secretary of transportation shall establish an  
4 apprenticeship utilization advisory committee, which (~~shall~~) must  
5 include statewide geographic representation and consist of equal  
6 numbers of representatives of contractors and labor. The committee  
7 must include at least one member representing contractor businesses  
8 with less than (~~thirty-five~~) 35 employees. The advisory committee  
9 shall meet regularly with the secretary of transportation to discuss  
10 implementation of this section by the department of transportation,  
11 including development of the process to be used to adjust the  
12 requirements of this section for a specific project.

13 (7) At the request of the senate labor, commerce, research and  
14 development committee, the house of representatives commerce and  
15 labor committee, or their successor committees, and the governor, the  
16 department of enterprise services and the department of labor and  
17 industries shall compile and summarize the agency and municipality  
18 data and provide a joint report to both committees. The report  
19 (~~shall~~) must include recommendations on modifications or  
20 improvements to the apprentice utilization program and information on  
21 skill shortages in each trade or craft.

22 (8) All contracts subject to this section must include  
23 specifications that a contractor or subcontractor may not be required  
24 to exceed the apprenticeship utilization requirements of this  
25 section.

26 (9) This section establishes the minimum apprenticeship  
27 utilization requirements on public works contracts awarded by a  
28 municipality. Any standards or requirements relating to  
29 apprenticeship utilization established by any applicable local law or  
30 ordinance that are more favorable to apprentices than the minimum  
31 requirements under this section are not affected by this section and  
32 those more favorable laws apply and may be enforced as provided by  
33 law.

34 NEW SECTION. Sec. 2. Section 1 of this act takes effect July 1,  
35 2024.

--- END ---