

SENATE BILL REPORT

E2SHB 1549

As of March 24, 2025

Title: An act relating to modifying the responsible bidder criteria for public works projects.

Brief Description: Modifying the responsible bidder criteria for public works projects.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Fosse, Obras, Berry, Reed, Goodman, Stearns, Parshley, Callan, Salahuddin, Taylor, Ormsby, Peterson, Pollet, Scott, Macri and Hill).

Brief History: Passed House: 3/10/25, 95-0.

Committee Activity: State Government, Tribal Affairs & Elections: 3/25/25.

Brief Summary of Bill

- Requires bidders to submit an apprentice utilization plan to the awarding agency before receiving notice to proceed on public works projects subject to apprentice utilization requirements.
- Requires the Department of Labor and Industries to develop an apprentice utilization template and publish certain information on its website.
- Provides that a contractor may bid on public works projects without receiving training on public works and prevailing wage if it has completed at least one public works project within the previous three years and has not received a citation for certain violations within that time.

SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL AFFAIRS & ELECTIONS

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

Background: Public works refers to all work, construction, alteration, repair, or improvement, other than ordinary maintenance, executed at the cost of the state or municipality. Under current law, before award of a public works contract, a bidder must meet certain responsibility criteria to be considered a responsible bidder and thus qualified to be awarded a public works contract. To be considered a responsible bidder, the bidder must:

- be a registered contractor and, if applicable, be appropriately licensed;
- have a current Unified Business Identifier number;
- have, if applicable, industrial insurance coverage, an Employment Security Department number, and a state excise tax registration number;
- not be disqualified from bidding due to previous noncompliance with registration or prevailing wage requirements;
- not have been found out of compliance with apprenticeship requirements if the project is subject to apprenticeship utilization requirements;
- have received training on public works and prevailing wage as outlined in statute; and
- not have been found by the Department of Labor and Industries (L&I) or a court to have willfully violated the state's wage payment laws within the three-year period preceding the bid solicitation.

Bidders must designate a person or persons to be trained on public works and prevailing wage, which must be provided by L&I or a provider whose curriculum is approved by L&I. A bidder who has completed three or more public works projects and have held a valid Washington business license for three or more years are exempt. L&I must keep records of entities that have satisfied the training requirements or are exempt, and post these records on its website. Responsible parties may rely on the records.

Compliance with Responsible Bidder Criteria. Bidders must submit a signed statement under penalty of perjury that they have not been found by L&I or a court to have willfully violated the state's wage payment laws within the three-year period prior to bid solicitation. Contracting agencies may reasonably rely on this sworn statement in awarding a contract.

Apprentice Utilization Criteria. Broadly, apprentice utilization criteria require that on public works projects estimated to cost \$1 million or more, at least 15 percent of the labor hours must be performed by apprentices enrolled in approved apprenticeship training programs. This requirement applies to contracts awarded by the state, school districts, and state four-year higher education institutions. Awarding agencies may adjust apprenticeship utilization requirements for certain reasons, such as an insufficient number of apprentices in a certain geographic area.

If a bidder has a history of receiving monetary penalties for not achieving apprentice utilization requirements or is habitual in using the good faith exception process, the bidder must submit an apprenticeship utilization plan within ten business days immediately following notice to proceed. Apprenticeship utilization plans detail verifiable efforts to meet apprentice utilization requirements.

Summary of Bill: Beginning July 1, 2026, in addition to existing bidder responsibility criteria outlined in current law, for public works projects subject to apprentice utilization requirements, the bidder must submit an apprentice utilization plan to the awarding agency before receiving the notice to proceed. A contracting agency may exempt a bidder from these requirements if the bidder met or exceeded apprentice utilization requirements on its last completed public works project. In determining bidder eligibility for exemption, contracting agencies may rely on L&I records.

L&I shall develop an apprentice utilization plan template and make it available to awarding agencies and bidders. The plan template must include, at minimum:

- the projected start and end dates of the project;
- estimated total work hours;
- estimated apprentice hours by apprenticeable occupation;
- a list of state registered apprenticeship programs to be contacted; and
- a list of estimated apprenticeship training agents or sponsors on the project.

Awarding agencies may develop their own templates that meet these minimum requirements, subject to approval by L&I. Completed apprentice utilization plans must be published on the L&I website.

Beginning July 1, 2027, to meet responsible bidder criteria, a bidder must have: (1) completed at least one public works project and have not been cited for a violation within the previous three years, or (2) have at least one designated person who is a current employee or office who has received training on public works and prevailing wage in the previous three years. L&I must keep records of individuals who have satisfied the training requirements in the past three years and post these records to its website.

L&I must publish available information on its website so contracting agencies can verify a bidder's compliance with the responsible bidder criteria. In addition to reasonably relying on a bidder's sworn statement that the bidder has not been found to have willfully violated the state's wage payment laws within the three year period prior to bid solicitation, contracting agencies must verify that a bidder meets the other responsible bidder criteria based on the available information on L&I's website.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.