SENATE BILL 5659

State of Washington 67th Legislature 2022 Regular Session

By Senators Wellman and Lovelett

Prefiled 01/05/22.

AN ACT Relating to establishing climate and labor standards for building materials used in state public works projects; and adding a new chapter to Title 39 RCW.

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

NEW SECTION. Sec. 1. (1) The legislature finds that while the 5 state has done much work to address the operational carbon emissions 6 attributed to the building sector, such as through the adoption of 7 clean buildings standards and the clean energy transformation act to 8 decarbonize the grid, much can still be done to reduce emissions from 9 10 embodied carbon. Embodied carbon refers to the greenhouse gas 11 emissions from the manufacturing and other life-cycle stages of 12 building material, including transportation, installation, maintenance, and disposal of material used in the construction of 13 buildings, roads, and other infrastructure. Approximately 40 percent 14 15 of all global carbon emissions are attributed to the building sector, with around 16 10 percent resulting from the manufacturing of 17 construction materials.

(2) As stated in the Paris climate accords, in order to avoid an
 irreversible and catastrophic climate change trajectory, average
 global temperatures must not rise more than two degrees Celsius.
 Since emissions accumulate in the atmosphere and there is limited

time remaining before the arrival of this tipping point, emissions 1 released now may be more critical than emissions released later. 2 Policies to reduce embodied carbon can help achieve short-term 3 climate targets, since the majority of a building's total embodied 4 carbon is released upfront in the product stage at the beginning of a 5 6 building's life. Further, unless action is taken soon, these emissions will only continue to increase due to rising global demand 7 for construction materials to accommodate population growth and 8 replacement of aging infrastructure. 9

(3) While reducing embodied carbon starts with action in the 10 11 manufacturing sector, the construction industry can play a key role 12 by creating a market demand for lower carbon products. Further, public policy can send a signal to manufacturers that it is time to 13 invest in short-term and long-term solutions. Using its extensive 14 purchasing power, the state can employ buy clean policies, such as 15 16 procurement policies that incorporate low-carbon construction materials purchasing requirements, to accelerate the adoption of 17 lower carbon materials in the wider construction materials sector. 18

19 (4) The legislature further finds that buy clean policies have the potential to result in large emissions reductions. The state of 20 21 Washington spent approximately \$94,000,000,000 on construction between the years of 2008 and 2018, which translated to approximately 22 23 39,000,000 metric tons of carbon dioxide equivalent. The amount of carbon is equivalent to the energy used by all the homes in the state 24 25 for more than two years, or the annual impact of 8,400,000 passenger vehicles. 26

(5) Furthermore, these strategies have already been used successfully on public sector projects to achieve significant emissions reductions. The Helen Sommers building used a procurement approach similar to buy clean to lower the carbon footprint of the concrete used on the project by 27 percent compared to the Pacific Northwest average, saving over 1,300 metric tons of greenhouse gas emissions.

(6) In addition, procurement policies can be used not only to achieve climate goals, but also to promote a fair economy by incorporating high labor standards into procurement decisions. Incorporating emissions information and high labor standards will acknowledge those companies that have invested in emissions reduction technologies and practices and reward responsible manufacturers that are promoting and protecting a modern workforce through livable

1 wages, benefits, and workforce training. Further, such policies will 2 encourage other companies to take action to reduce emissions and 3 improve labor practices to become more competitive in the Washington 4 contracting process.

5 (7) Therefore, the legislature intends to establish climate and 6 labor standards as part of the state procurement process to achieve 7 significant carbon reductions and promote fair labor practices in 8 state public works projects. In doing so, the legislature also 9 intends to leverage the purchasing power of the state to encourage 10 these practices in the broader construction materials market.

11 <u>NEW SECTION.</u> Sec. 2. The definitions in this section apply 12 throughout this chapter unless the context clearly requires 13 otherwise.

14 (1) "Awarding authority" includes any of the following:

(a) A state agency for a contract for a public works project thatis subject to chapter 39.04 or 39.10 RCW; or

(b) The governing boards of the institutions of higher education as defined in RCW 28B.10.016 for a public works project that is subject to chapter 39.04 or 39.10 RCW.

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(2) "Department" means the department of commerce.

21 (3) "Eligible product" includes any of the following:

(a) Structural concrete, specifically ready mix, shotcrete,precast, and concrete masonry units;

24 (b) Reinforcing steel, specifically rebar and posttensioning 25 tendons;

(c) Structural steel, specifically hot rolled sections, hollowsections, plate, and cold formed; and

(d) Engineered wood, specifically composite lumber and masstimber.

30 (4) "Eligible project" means a project that the awarding31 authority determines will require eligible materials.

32 (5) "Environmental product declaration" means a supply chain specific type III environmental product declaration as defined by the 33 international organization for standardization standard 14025 as that 34 standard existed as of January 1, 2022, or similarly robust life-35 cycle assessment methods that have uniform standards 36 in data collection consistent with the international organization 37 for 38 standardization standard 14025, industry acceptance, and integrity, as those standards existed as of January 1, 2022. 39

1 (6) "Greenhouse gas" has the same meaning as defined in RCW 2 70A.45.010.

3 (7) "State agency" includes any state board, commission, bureau,
4 committee, department, institution, division, or tribunal in the
5 legislative, executive, or judicial branch of state government.

6 (8) "Supply chain specific" means an environmental product 7 declaration that includes supply chain specific data for production processes that contribute to 80 percent or more of a product's 8 cradle-to-gate global warming potential, as defined in international 9 organization for standardization standard 21930, and reports the 10 11 overall percentage of supply chain specific data included. For 12 engineered wood products, "supply chain specific" also means an environmental product declaration that reports: 13

14 (a) Any chain of custody certification;

15 (b) Percent volume contribution to wood sourcing with forest 16 management certification;

17 (c) Percent volume contribution to wood sourcing by state or 18 province and country; and

(d) Percent volume contribution to wood sourcing by owner type.For example: Federal, state, private, or other.

21 <u>NEW SECTION.</u> Sec. 3. (1) By January 1, 2024, the department, in 22 consultation with the department of ecology, must establish, and 23 publish in guidance for awarding authorities, a maximum acceptable 24 global warming potential for each eligible product in accordance with 25 the following requirements:

(a) The department must set the maximum acceptable global warming 26 27 potential at the 20th percentile value of global warming potential for each eligible product category, whereby 20 percent of products 28 meeting the specifications for the category are achieving a value 29 30 lower than this threshold. The department must determine this value 31 by consulting nationally or internationally recognized databases of environmental product declarations of like performance and quality 32 materials and may rely on the data in these databases or published 33 evaluations of that data for purposes of identifying industry 34 averages, ranges, and variations, and for establishing the maximum 35 acceptable global warming potentials for eligible products. 36 The department may establish a phase-in period of not more than two years 37 38 for each eligible product to achieve the maximum acceptable global warming potential; and 39

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1 (b) The department must maintain a list of relevant product 2 category rules for each eligible product and express the maximum 3 acceptable global warming potential as a number that states the 4 maximum acceptable global warming potential for each eligible product 5 by product category rule.

6 (2) By January 1, 2024, the department must submit a report to 7 the legislature that describes the method that the department used to 8 develop the maximum acceptable global warming potential for each 9 eligible product pursuant to subsection (1) of this section. The 10 report required by this subsection must be submitted in compliance 11 with RCW 43.01.036.

12 (3) By January 1, 2027, and every three years thereafter, the department must review the maximum acceptable global warming 13 14 potential for each eligible product established pursuant to subsection (1) of this section, and may adjust that number downward 15 16 for any eligible product to reflect industry improvements if the department, based on the process described in subsection (1)(a) of 17 this section, determines that the industry average has changed, but 18 the department must not adjust that number upward for any eligible 19 product. At that time, the department must update guidance to reflect 20 21 that adjustment.

22 <u>NEW SECTION.</u> Sec. 4. (1) An awarding authority must require the 23 successful bidder for a contract described in subsection (2) of this 24 section to submit a current environmental product declaration for 25 each eligible product to be used.

(2) An awarding authority must include in a specification for 26 27 bids for an eligible project that the global warming potential for 28 any eligible product does not exceed the maximum acceptable global warming potential for that product determined pursuant to section 3 29 30 of this act. An awarding authority may include in a specification for bids for an eligible project a global warming potential for any 31 eligible product that is lower than the maximum acceptable global 32 warming potential for that product determined pursuant to section 3 33 of this act. 34

35 (3) A successful bidder for a contract described in subsection 36 (2) of this section may not install any eligible product on the 37 project until that bidder submits an environmental product 38 declaration for that product pursuant to subsection (1) of this 39 section.

1 (4) This section only applies to a contract entered into on or 2 after July 1, 2024.

(5) This section does not apply to an eligible product for a 3 particular contract if the awarding authority determines, upon 4 written justification published on its internet website, that 5 6 requiring those eligible products to comply would be technically infeasible, would result in a significant increase in the project 7 cost or a significant delay in completion, or would result in only 8 one source or manufacturer being able to provide the type of product 9 needed by the state. 10

11 (6) (a) The requirements of this section may be waived if the 12 awarding authority determines that an emergency exists.

(b) For the purposes of this section, "emergency" means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

(7) Compliance with the requirements of this section may not be used as a basis for a waiver from apprenticeship utilization requirements in any other statute, regulation, or law.

20 <u>NEW SECTION.</u> Sec. 5. In carrying out its duties under this 21 chapter, an awarding authority must strive to achieve a continuous 22 reduction of emissions over time.

23 <u>NEW SECTION.</u> Sec. 6. (1) Beginning July 1, 2024, an awarding 24 authority must require the successful bidder for a contract for an 25 eligible project to report on their suppliers for eligible products' 26 compliance with the international labor organization's core labor 27 standards as those standards existed as of January 1, 2022.

(2) Successful bidders for a contract for an eligible project may
 meet the requirements of subsection (1) of this section in one of two
 ways:

31 (a) Providing supplier codes of conduct from manufacturers that32 they are procuring eligible products from; or

33 (b) In cases in which a supplier does not have a code of conduct, 34 the successful bidder for a contract for an eligible project must ask 35 suppliers to provide a report on their measures taken to comply with 36 the international labor organization's core labor standards and 37 provide suppliers' self-reports to the awarding authority.

1 (3) Beginning July 1, 2022, until June 30, 2024, awarding 2 authorities must encourage, but may not require, successful bidders 3 to comply with the requirements of subsection (1) of this section.

4 <u>NEW SECTION.</u> Sec. 7. Any standards referenced or utilized for 5 the purposes of this chapter may be updated by the department by 6 rule.

7 <u>NEW SECTION.</u> Sec. 8. By July 1, 2026, the department must 8 submit a report to the legislature on any obstacles to the 9 implementation of this chapter, the effectiveness of this chapter in 10 reducing the embodied emissions from public works, and the compliance 11 of suppliers of eligible products for public works with the labor 12 standards referenced in section 6 of this act. The report required by 13 this section must be submitted in compliance with RCW 43.01.036.

14 <u>NEW SECTION.</u> Sec. 9. Sections 1 through 8 of this act 15 constitute a new chapter in Title 39 RCW.

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