CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1549

Chapter 63, Laws of 2025

69th Legislature 2025 Regular Session

PUBLIC WORKS PROJECTS—RESPONSIBLE BIDDER CRITERIA—MODIFICATION

EFFECTIVE DATE: July 1, 2026—Except for section 2, which takes effect July 1, 2027.

Yeas 95 Nays 0

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1549 as passed by the House of Representatives and the Senate on

Passed by the Senate April 7, 2025 Yeas 48 Nays 1

Passed by the House March 10, 2025

DENNY HECK

President of the Senate

Approved April 16, 2025 10:43 AM

FILED

BERNARD DEAN

Chief Clerk

the dates hereon set forth.

CERTIFICATE

April 16, 2025

BOB FERGUSON Secretary of State State of Washington

Governor of the State of Washington

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1549

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

By House Capital Budget (originally sponsored by Representatives Fosse, Obras, Berry, Reed, Goodman, Stearns, Parshley, Callan, Salahuddin, Taylor, Ormsby, Peterson, Pollet, Scott, Macri, and Hill) READ FIRST TIME 02/27/25.

- 1 AN ACT Relating to modifying the responsible bidder criteria for
- 2 public works projects; amending RCW 39.04.350 and 39.04.350;
- 3 providing effective dates; and providing an expiration date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 39.04.350 and 2023 c 88 s 1 are each amended to read 6 as follows:
- 7 (1) Before award of a public works contract, a bidder must meet 8 the following responsibility criteria to be considered a responsible 9 bidder and qualified to be awarded a public works project. The bidder 10 must:
- 11 (a) At the time of bid submittal, have a certificate of 12 registration in compliance with chapter 18.27 RCW, a plumbing 13 contractor license in compliance with chapter 18.106 RCW, an elevator 14 contractor license in compliance with chapter 70.87 RCW, or an 15 electrical contractor license in compliance with chapter 19.28 RCW, 16 as required under the provisions of those chapters;
- 17 (b) Have a current state unified business identifier number;
- 18 (c) If applicable, have industrial insurance coverage for the 19 bidder's employees working in Washington as required in Title 51 RCW; 20 an employment security department number as required in Title 50 RCW;

and a state excise tax registration number as required in Title 82 RCW;

- (d) Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3);
- (e) If bidding on a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation;
- (f) Have received training on the requirements related to public works and prevailing wage under this chapter and chapter 39.12 RCW. The bidder must designate a person or persons to be trained on these requirements. The training must be provided by the department of labor and industries or by a training provider whose curriculum is approved by the department. The department, in consultation with the prevailing wage advisory committee, must determine the length of the training. Bidders that have completed three or more public works projects and have had a valid business license in Washington for three or more years are exempt from this subsection. The department of labor and industries must keep records of entities that have satisfied the training requirement or are exempt and make the records available on its website. Responsible parties may rely on the records made available by the department regarding satisfaction of the training requirement or exemption; and
- (g) Within the three-year period immediately preceding the date of the bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.
- (2) Before award of a public works contract, a bidder shall submit to the contracting agency a signed statement in accordance with chapter 5.50 RCW verifying under penalty of perjury that the bidder is in compliance with the responsible bidder criteria requirement of subsection (1)(g) of this section. A contracting

agency may award a contract in reasonable reliance upon such a sworn statement.

- (3) (a) In addition to the bidder responsibility criteria in subsection (1) of this section, for a project subject to apprentice utilization requirements under RCW 39.04.320, the bidder shall submit an apprentice utilization plan to the awarding agency before receiving the notice to proceed. A contracting agency may exempt a bidder from the requirements of this subsection if the bidder met or exceeded apprentice utilization requirements on the last public works project the bidder completed. Contracting agencies may rely on records made available by the department of labor and industries to determine whether a bidder is eligible for the exemption in this subsection.
- (b) The department of labor and industries shall develop an apprentice utilization plan template and make the template 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; list of state registered apprenticeship programs to be contacted; and list of estimated apprenticeship training agents or sponsors on the project. The plan template must also include educational material on apprentice utilization requirements, including how to access apprentices and contact apprenticeship programs and where to find additional and relevant resources. The department may approve the use of a template developed by an awarding agency if it meets the minimum requirements of this subsection.
- (c) The department of labor and industries shall publish completed apprentice utilization plans on its website.
- (4) In addition to the bidder responsibility criteria in subsection (1) of this section, the state or municipality may adopt relevant supplemental criteria for determining bidder responsibility applicable to a particular project which the bidder must meet.
- (a) Supplemental criteria for determining bidder responsibility, including the basis for evaluation and the deadline for appealing a determination that a bidder is not responsible, must be provided in the invitation to bid or bidding documents.
- (b) In a timely manner before the bid submittal deadline, a potential bidder may request that the state or municipality modify the supplemental criteria. The state or municipality must evaluate the information submitted by the potential bidder and respond before

the bid submittal deadline. If the evaluation results in a change of the criteria, the state or municipality must issue an addendum to the bidding documents identifying the new criteria.

- (c) If the bidder fails to supply information requested concerning responsibility within the time and manner specified in the bid documents, the state or municipality may base its determination of responsibility upon any available information related to the supplemental criteria or may find the bidder not responsible.
- (d) If the state or municipality determines a bidder to be not responsible, the state or municipality must provide, in writing, the reasons for the determination. The bidder may appeal the determination within the time period specified in the bidding documents by presenting additional information to the state or municipality. The state or municipality must consider the additional information before issuing its final determination. If the final determination affirms that the bidder is not responsible, the state or municipality may not execute a contract with any other bidder until two business days after the bidder determined to be not responsible has received the final determination.
- (e) If the bidder has a history of receiving monetary penalties for not achieving the apprentice utilization requirements pursuant to RCW 39.04.320, or is habitual in utilizing the good faith effort exception process, the bidder must submit an apprenticeship utilization plan within ten business days immediately following the notice to proceed date.
- ((4+)) (5) The capital projects advisory review board created in RCW 39.10.220 shall develop suggested guidelines to assist the state and municipalities in developing supplemental bidder responsibility criteria. The guidelines must be posted on the board's website.
- **Sec. 2.** RCW 39.04.350 and 2023 c 88 s 1 are each amended to read 31 as follows:
- 32 (1) Before award of a public works contract, a bidder must meet 33 the following responsibility criteria to be considered a responsible 34 bidder and qualified to be awarded a public works project. The bidder 35 must:
 - (a) At the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW, a plumbing contractor license in compliance with chapter 18.106 RCW, an elevator contractor license in compliance with chapter 70.87 RCW, or an

electrical contractor license in compliance with chapter 19.28 RCW, as required under the provisions of those chapters;

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exemption)); and

- (b) Have a current state unified business identifier number;
- (c) If applicable, have industrial insurance coverage for the bidder's employees working in Washington as required in Title 51 RCW; an employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW;
- 9 (d) Not be disqualified from bidding on any public works contract 10 under RCW 39.06.010 or 39.12.065(3);
 - (e) If bidding on a public works project subject to the ((apprenticeship)) apprentice utilization requirements in RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation;
 - (f) (i) Have completed at least one public works project within the previous three years and have not received a citation for a violation of this chapter, chapter 39.12 RCW, or those provided in RCW 39.12.055 (1) through (3) during that same time period; or (ii) have at least one designated person who is a current employee or officer and who has received training on the requirements related to public works and prevailing wage under this chapter and chapter 39.12 RCW((. The bidder must designate a person or persons to be trained on these requirements)) within the previous three years. The training must be provided by the department of labor and industries or by a training provider whose curriculum is approved by the department. The department, in consultation with the prevailing wage advisory committee, must determine the length of the training. ((Bidders that have completed three or more public works projects and have had a valid business license in Washington for three or more years are exempt from this subsection.)) The department of labor and industries must keep records of ((entities)) persons that have ((satisfied)) completed the training ((requirement or are exempt)) in the previous three years and make the records available on its website. Responsible parties may rely on the records made available by the department ((regarding satisfaction of the training requirement or

(g) Within the three-year period immediately preceding the date of the bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

- (2) (a) The department of labor and industries shall publish on its website available information in order for contracting agencies to verify the status of a bidder's compliance with each of the criteria under subsection (1) (a) through (f) of this section.
- (b) Before award of a public works contract, a bidder shall submit to the contracting agency a signed statement in accordance with chapter 5.50 RCW verifying under penalty of perjury that the bidder is in compliance with the responsible bidder criteria requirement of subsection (1)(g) of this section. A contracting agency may ((award a contract in reasonable reliance)) reasonably rely upon such a sworn statement. The contracting agency shall verify that the bidder meets the remaining criteria in subsection (1) of this section through publicly available information on the department of labor and industries' website.
- (3) (a) In addition to the bidder responsibility criteria in subsection (1) of this section, for a project subject to apprentice utilization requirements under RCW 39.04.320, the bidder shall submit an apprentice utilization plan to the awarding agency before receiving the notice to proceed. A contracting agency may exempt a bidder from the requirements of this subsection if the bidder met or exceeded apprentice utilization requirements on the last public works project the bidder completed. Contracting agencies may rely on records made available by the department of labor and industries to determine whether a bidder is eligible for the exemption in this subsection.
- (b) The department of labor and industries shall develop an apprentice utilization plan template and make the template 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; list of state registered apprenticeship programs to be contacted; and list of estimated apprenticeship training agents or sponsors on the project. The plan template must also include

- educational material on apprentice utilization requirements, including how to access apprentices and contact apprenticeship programs and where to find additional and relevant resources. The department may approve the use of a template developed by an awarding agency if it meets the minimum requirements of this subsection.
 - (c) The department of labor and industries shall publish completed apprentice utilization plans on its website.

- (4) In addition to the bidder responsibility criteria in subsection (1) of this section, the state or municipality may adopt relevant supplemental criteria for determining bidder responsibility applicable to a particular project which the bidder must meet.
- (a) Supplemental criteria for determining bidder responsibility, including the basis for evaluation and the deadline for appealing a determination that a bidder is not responsible, must be provided in the invitation to bid or bidding documents.
- (b) In a timely manner before the bid submittal deadline, a potential bidder may request that the state or municipality modify the supplemental criteria. The state or municipality must evaluate the information submitted by the potential bidder and respond before the bid submittal deadline. If the evaluation results in a change of the criteria, the state or municipality must issue an addendum to the bidding documents identifying the new criteria.
- (c) If the bidder fails to supply information requested concerning responsibility within the time and manner specified in the bid documents, the state or municipality may base its determination of responsibility upon any available information related to the supplemental criteria or may find the bidder not responsible.
- (d) If the state or municipality determines a bidder to be not responsible, the state or municipality must provide, in writing, the reasons for the determination. The bidder may appeal the determination within the time period specified in the bidding documents by presenting additional information to the state or municipality. The state or municipality must consider the additional information before issuing its final determination. If the final determination affirms that the bidder is not responsible, the state or municipality may not execute a contract with any other bidder until two business days after the bidder determined to be not responsible has received the final determination.
- (($\frac{\text{(e)}}{\text{If}}$ the bidder has a history of receiving monetary penalties for not achieving the apprentice utilization requirements pursuant to

- 1 RCW 39.04.320, or is habitual in utilizing the good faith effort
- 2 exception process, the bidder must submit an apprenticeship
- 3 utilization plan within ten business days immediately following the
- 4 notice to proceed date.
- 5 $\frac{(4)}{(5)}$ The capital projects advisory review board created in
- 6 RCW 39.10.220 shall develop suggested guidelines to assist the state
- 7 and municipalities in developing supplemental bidder responsibility
- 8 criteria. The guidelines must be posted on the board's website.
- 9 <u>NEW SECTION.</u> **Sec. 3.** Section 1 of this act takes effect July 1,
- 10 2026.
- 11 <u>NEW SECTION.</u> **Sec. 4.** Section 1 of this act expires July 1,
- 12 2027.
- 13 <u>NEW SECTION.</u> Sec. 5. Section 2 of this act takes effect July 1,
- 14 2027.

Passed by the House March 10, 2025. Passed by the Senate April 7, 2025. Approved by the Governor April 16, 2025. Filed in Office of Secretary of State April 16, 2025.

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