

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5133 SB	<b>Title:</b> Responsible bidder criteria
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	402,000	0	0	402,000	0	0	402,000
Office of Administrative Hearings	0	0	332,000	0	0	332,000	0	0	332,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>734,000</b>	<b>0</b>	<b>0</b>	<b>734,000</b>	<b>0</b>	<b>0</b>	<b>734,000</b>

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	1.3	0	0	402,000	1.3	0	0	402,000	1.3	0	0	402,000
Office of Administrative Hearings	1.1	0	0	332,000	1.1	0	0	332,000	1.1	0	0	332,000
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	1.1	0	0	1,942,000	1.1	0	0	962,000	1.1	0	0	962,000
Department of Transportation	1.1	0	0	208,000	.9	0	0	152,000	.9	0	0	152,000
<b>Total \$</b>	<b>4.6</b>	<b>0</b>	<b>0</b>	<b>2,884,000</b>	<b>4.4</b>	<b>0</b>	<b>0</b>	<b>1,848,000</b>	<b>4.4</b>	<b>0</b>	<b>0</b>	<b>1,848,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

# Estimated Capital Budget Breakout

<b>Prepared by:</b> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Final
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5133 SB	<b>Title:</b> Responsible bidder criteria	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	201,000	201,000	402,000	402,000	402,000
<b>Total \$</b>	201,000	201,000	402,000	402,000	402,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	1.3	1.3	1.3	1.3
<b>Account</b>					
Legal Services Revolving Account-State 405-1	201,000	201,000	402,000	402,000	402,000
<b>Total \$</b>	201,000	201,000	402,000	402,000	402,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Danielle Creech	Phone: 360-786-7412	Date: 01/24/2023
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 01/30/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/30/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/30/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1 amends RCW 39.04.350 to revise the responsibility criteria for responsible bidders, including being listed as an active training agent on the Department of Labor and Industries' (L&I) website, to require that L&I keep records of contractors' compliance with the responsible bidder criteria, and to authorize the state and municipalities to adopt relevant supplemental criteria on projects subject to apprenticeship utilization requirements if the bidder has a demonstrated history of being out of compliance with such requirements.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Labor and Industries (L&I). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

#### AGO AGENCY ASSUMPTIONS:

L&I will be billed for Seattle rates:

FY 2024: \$201,000 for 0.75 Assistant Attorney General and 0.38 Legal Assistant and in each FY thereafter.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing is assumed to be in a Seattle office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables, for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of a Management Analyst 5 (MA). The MA is used as a representative classification.

Assumptions for the AGO Labor and Industries Division's (LNI) Legal Services for the Department of Labor and Industries (L&I):

The AGO will bill L&I for legal services based on the enactment of this bill.

This bill modifies or creates additional responsibilities for employers who wish to receive “responsible bidder” status for public works projects. Specifically, it affects their responsibilities regarding apprenticeships.

If L&I issues a decision that an employer has not met their apprenticeship responsibilities, and this disqualifies that employer from being a “responsible bidder,” then that decision can have a significant economic impact on the employer.

Based on existing data and LNI’s analysis of the bill, LNI estimate these changes will result in a net increase of approximately 32 employer appeals per year to L&I apprenticeship decisions.

Based on the resources allocated for the existing apprenticeship caseload, an increase of 32 appeals per year would result in .75 FTE worth of AAG legal services per year to handle the increased caseload.

LNI: Total Seattle workload impact:  
 FY 2024: \$201,000 for 0.75 AAG and 0.38 LA and in each FY thereafter.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	201,000	201,000	402,000	402,000	402,000
<b>Total \$</b>			201,000	201,000	402,000	402,000	402,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	1.3	1.3	1.3	1.3
A-Salaries and Wages	135,000	135,000	270,000	270,000	270,000
B-Employee Benefits	43,000	43,000	86,000	86,000	86,000
E-Goods and Other Services	22,000	22,000	44,000	44,000	44,000
G-Travel	1,000	1,000	2,000	2,000	2,000
<b>Total \$</b>	201,000	201,000	402,000	402,000	402,000

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General-Seattle	124,635	0.8	0.8	0.8	0.8	0.8
Legal Assistant 3-Seattle	67,044	0.4	0.4	0.4	0.4	0.4
Management Analyst 5	91,524	0.2	0.2	0.2	0.2	0.2
<b>Total FTEs</b>		1.3	1.3	1.3	1.3	1.3

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Labor & Industries Division (LNI)	201,000	201,000	402,000	402,000	402,000
<b>Total \$</b>	201,000	201,000	402,000	402,000	402,000

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5133 SB	<b>Title:</b> Responsible bidder criteria	<b>Agency:</b> 110-Office of Administrative Hearings
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Hearings Revolving Account-State 484-1	166,000	166,000	332,000	332,000	332,000
<b>Total \$</b>	166,000	166,000	332,000	332,000	332,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
<b>Account</b>					
Administrative Hearings Revolving Account-State 484-1	166,000	166,000	332,000	332,000	332,000
<b>Total \$</b>	166,000	166,000	332,000	332,000	332,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Danielle Creech	Phone: 360-786-7412	Date: 01/24/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/31/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 01/31/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/31/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1 (the only section of this bill) adds additional requirements for “responsible bidders” on public works projects. Specifically, bidders must be listed on the Department of Labor and Industries’ website as active training agents. Additionally, bidders on public works projects subject to apprenticeship utilization requirements must not have been found out of compliance by the Washington Apprenticeship & Training Council for not meeting mandatory apprenticeship utilization requirements and must have personnel trained on public works and prevailing wage requirements within the three years prior to submitting a bid. Bidders historically out of compliance with apprenticeship utilization requirements on projects must submit a verifiable apprenticeship utilization plan to the contracting agency prior to an award.

Work activities associated with the enactment of this bill will begin on July 1, 2023.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

As a central service agency, the Office of Administrative Hearings (OAH) bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the Department of Labor & Industries for the costs related to this proposed legislation.

These cash receipts represent the OAH’s authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH’s budget.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

The Department of Labor & Industries (L&I) estimates that the proposed legislation will result in 32 new appeals being referred to Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2024. On average, each appeal is expected to take approximately 25 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) The Governors proposed COLA increases in FY2024 and FY2025, and Collective Bargaining Agreement increases are not included in agency cost projections. Additional funding is required if these proposals are enacted.
- (2) Ratio of 1.0 FTE line ALJ to 0.15 Senior ALJ (SALJ), to 0.6 Legal Assistant 2 (LA2) (Range 40 step L), to 0.25 administrative support Management Analyst 5 (MA5) (Range 64 Step L).
- (3) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70. Senior ALJ-range 74.)
- (4) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (5) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.

Total workload impact beginning in FY 2024: 0.57 ALJ at a cost of \$94,733; 0.09 SALJ at a cost of \$15,323; 0.34 LA2 at a cost of \$34,168; 0.14 MA5 at a cost of \$21,123. Total cost rounded to: \$166,000 per FY.

Legal services associated with the enactment of this bill will begin on July 1, 2023.



## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
484-1	Administrative Hearings Revolving Account	State	166,000	166,000	332,000	332,000	332,000
<b>Total \$</b>			166,000	166,000	332,000	332,000	332,000

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	101,000	101,000	202,000	202,000	202,000
B-Employee Benefits	34,000	34,000	68,000	68,000	68,000
C-Professional Service Contracts					
E-Goods and Other Services	29,000	29,000	58,000	58,000	58,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	1,000	1,000	2,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	166,000	166,000	332,000	332,000	332,000

### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	106,152	0.6	0.6	0.6	0.6	0.6
Legal Assistant 2	50,592	0.3	0.3	0.3	0.3	0.3
Management Analyst 5	91,524	0.1	0.1	0.1	0.1	0.1
Senior Administrative Law Judge	117,168	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		1.1	1.1	1.1	1.1	1.1

### III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Regulatory & Education (REG)	166,000	166,000	332,000	332,000	332,000
<b>Total \$</b>	166,000	166,000	332,000	332,000	332,000

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5133 SB	<b>Title:</b> Responsible bidder criteria	<b>Agency:</b> 179-Department of Enterprise Services
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Danielle Creech	Phone: 360-786-7412	Date: 01/24/2023
Agency Preparation: Becky Guyer	Phone: (360) 407-9254	Date: 01/31/2023
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 01/31/2023
OFM Review: Jennifer Masterson	Phone: (360) 810-0117	Date: 01/31/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Sec. 1: Amends RCW 39.04.350 modifying mandatory responsibility requirements.

(1d): The bidder must be listed as an active training agent in the Department of Labor and Industries (L&I) apprenticeship registration tracking system and attest to only subcontracting with active training agents.

(1f): For projects subject to apprenticeship utilization requirements, it clarifies that the bidder cannot have been found to be out of compliance by the WA State Apprenticeship and Training Council, for not achieving mandatory apprenticeship utilization requirements or for working apprentices out of ratio.

(1g): Public works and prevailing wage training requirements for bidders are modified, requiring that at the time of bid submittal, the bidder or designated person(s), must have received training within the previous three years. This subsection also eliminates the exemption of this training requirement if the bidder has completed three or more public works projects previously and has a WA State business license that has been valid for three or more years.

Sec 1(2): Requires the Department of L&I to keep records of contractor compliance with the (mandatory) responsible bidder criteria and make that information publicly available to prospective bidders. It is the responsibility of the contracting agency to verify that the responsible bidder criteria are met prior to awarding a contract.

Sec 1(3): Changes optional supplemental responsibility criteria and processes that the state or municipality may adopt.

This will require the Department of Enterprise Services to revise instructions to bidders, bid forms, project manuals, supplemental bidder responsibility criteria, and the FPS policy governing these, as well as CPARB guidelines for bidder responsibility. This can be done through routine business processes; therefore, this bill has no fiscal impact.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5133 SB	<b>Title:</b> Responsible bidder criteria	<b>Agency:</b> 235-Department of Labor and Industries
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
<b>Account</b>					
Public Works Administration Account-State 234-1	1,461,000	481,000	1,942,000	962,000	962,000
<b>Total \$</b>	1,461,000	481,000	1,942,000	962,000	962,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Danielle Creech	Phone: 360-786-7412	Date: 01/24/2023
Agency Preparation: Donald Jenson Jr	Phone: 360-902-6981	Date: 01/27/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/27/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/27/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached.

### II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached.

### II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
234-1	Public Works Administration Account	State	1,461,000	481,000	1,942,000	962,000	962,000
<b>Total \$</b>			1,461,000	481,000	1,942,000	962,000	962,000

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	74,000	74,000	148,000	148,000	148,000
B-Employee Benefits	29,000	29,000	58,000	58,000	58,000
C-Professional Service Contracts	913,000		913,000		
E-Goods and Other Services	435,000	378,000	813,000	756,000	756,000
G-Travel					
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	1,461,000	481,000	1,942,000	962,000	962,000

### III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 5	71,520	0.1	0.1	0.1	0.1	0.1
Program Specialist 3	69,756	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		1.1	1.1	1.1	1.1	1.1

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

See attached.



## Part II: Explanation

This bill relates to modifying the responsible bidder criteria for public works projects, amending RCW 39.04.350.

The differences between SB 5133 and S-0623.1 include:

- SB 5133 requires the contractor to be listed as a training agent on the Department of Labor and Industries (L&I) website, instead of L&I's apprenticeship registration tracking system as mentioned in S-0623.1.
- SB 5133 requires L&I to keep records of the contractor's compliance with responsible bidder criteria and list them on the L&I website. S-0623.1 required L&I to develop an attestation document that the contractor must complete, sign, and provide to the contract agency as part of their bid.
- SB 5133 does not include the amendment to RCW 39.12.055 contained in S-0623.1.

These changes do not change the fiscal impact to L&I.

### II. A – Brief Description of What the Measure Does that Has Fiscal Impact

**Section 1(1)(d)** adds a provision to RCW 39.04.350 requiring a contractor needs to be active training agent on the Department of Labor and Industries (L&I) website.

**Section 1(1)(f)** amends RCW 39.04.350 by adding a further requirement when bidding on a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320 that they have not been found as not achieving mandatory apprenticeship utilization requirements by the Washington State Apprenticeship and Training Council.

**Section 1(1)(g)** amends RCW 39.04.350 removing the grandfather clause on the training on public works requirement and making it mandatory for all contractors bidding on public works contracts and that a designated person for the contractor has to take the training every three years.

**Section 1(2)** amends RCW 39.04.350 requiring L&I to keep records of contractors compliance with the responsible bidder criteria and make the records available on its website. The contract agency must verify bidder is listed on the L&I website prior to awarding a contract.

**Section 1(3)(e)** amends RCW 39.04.350 stipulating that on projects subject to apprenticeship utilization requirements pursuant to RCW 39.04.320, if the bidder has a history of being demonstrated to be out of compliance or for 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 a verifiable apprenticeship utilization plan for the awarding agency's review and acceptance prior to the award of a public works project.

## **II. B – Cash Receipt Impact**

### **Receivables – Operating**

None. There are no monetary penalties associated with enforcing the requirements of this bill. Non-compliance with the requirements of the bill results in a strike against the company, with two strikes resulting in being ineligible from bidding on public works projects for a year.

## **II. C – Expenditures**

### **Appropriated – Operating Costs**

This bill increases expenditures to the Public Works Administration Account, fund 234. The following assumptions were used to estimate the resources requested to implement this bill.

### **Staffing**

1.0 FTE, Program Specialist 3, permanent, beginning July 1, 2023. Duties include notifying employers they have been found out of compliance on apprentice utilization requirements, receiving appeals, processing appeals for Washington State Apprenticeship and Training Council (WSATC) review, attending hearings on the department's behalf, preparing all documentation and research needed for hearings/WSATC review, answering employer calls/emails,

coordinating with the Prevailing Wage program staff to enter employer information into the contractor verification system. This is based on the following assumptions:

- Based on current data, approximately eight employers are found to be out of compliance with apprenticeship utilization requirements per quarter, or 32 per year.
- This bill allows the WSATC to hear the appeals from employers found to be out of compliance with apprenticeship utilization requirements.
- One Program Specialist 3 could handle 32 appeals per year.

### **Information Technology**

The expenditure calculations in this fiscal note include changes to the hourly rates for contract technology based on an annual analysis completed by L&I. These changes include rates based on expert skill level and an inflationary factor in all categories. All expenditures in this section are for the 2023-25 biennium.

Contract developers will need to modify and enhance multiple internal systems to implement the requirements of this bill. Quality Assurance (QA), hardware, and software costs are also required for this effort.

A total of \$961,634 is needed in the 2023-25 biennium for all information technology changes.

This includes:

- Contractor costs – \$851,738 is needed for 6,462 contractor hours
- QA – \$61,000
- Hardware – \$4,896
- Software – \$44,000

### **Rule making**

\$2,500 is needed for one rule making hearing to occur during fiscal year 2024. The average cost of one rule making hearing is \$2,500. (1 hearing x \$2,500 each = \$2,500)

### **Attorney General – Legal Services**

\$201,000 is needed annually, beginning in fiscal year 2024, for 0.75 FTE Assistant Attorney General (AAG), and 0.38 FTE Legal Assistant for legal services. The following assumptions were used to calculate the estimates:

- Based on current data, eight employers are found to be out of compliance with apprenticeship utilization requirements per quarter, or 32 per year.
- This bill allows the WSATC to hear the appeals.
- WAC 296-05-008 indicates that the WSATC may either adjudicate the matter(s) itself, or refer matter(s) to the Office of Administrative Hearings (OAH). AAG resources will represent L&I at those OAH hearings.
- Due to workload capacity at the WSATC, it is assumed all of the 32 annual appeals will be referred to OAH.

**Administrative Hearings**

\$166,000 is needed annually for the 32 administrative hearings mentioned above, beginning with fiscal year 2024.

**Indirect Costs**

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
234	Public Works Admin.	7,000	7,000	7,000	7,000	7,000	7,000
	Total:	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries’ indirect rate is applied on salaries, benefits, and standard costs. For fiscal note purposes, the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 59, Step G).

**Part IV: Capital Budget Impact**

None.

## **Part V: New Rule Making Required**

This legislation would result in rule changes to:

- WAC 296-05-217, Apprenticeship utilization requirements verification on public works projects.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5133 SB	<b>Title:</b> Responsible bidder criteria	<b>Agency:</b> 405-Department of Transportation
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	0.9	1.1	0.9	0.9
<b>Account</b>					
Motor Vehicle Account-State 108 -1	132,000	76,000	208,000	152,000	152,000
<b>Total \$</b>	132,000	76,000	208,000	152,000	152,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Danielle Creech	Phone: 360-786-7412	Date: 01/24/2023
Agency Preparation: Jim Cuthbertson	Phone: 360-705-7825	Date: 02/02/2023
Agency Approval: Jon Deffenbacher	Phone: 360-7057829	Date: 02/02/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/02/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached WSDOT fiscal note.

### II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

### II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	132,000	76,000	208,000	152,000	152,000
<b>Total \$</b>			132,000	76,000	208,000	152,000	152,000

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	0.9	1.1	0.9	0.9
A-Salaries and Wages	95,000	54,000	149,000	108,000	108,000
B-Employee Benefits	37,000	22,000	59,000	44,000	44,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	132,000	76,000	208,000	152,000	152,000

### III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Contracts Specialist 1	59,688	0.6	0.5	0.6	0.5	0.5
Transportation Engineer	110,760	0.4	0.2	0.3	0.2	0.2
Transportation Engineer 4	100,320	0.1	0.1	0.1	0.1	0.1
WMS 4	140,000	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		1.2	0.9	1.1	0.9	0.9

### III. D - Expenditures By Program (optional)

NONE

## **Part IV: Capital Budget Impact**

### **IV. A - Capital Budget Expenditures**

NONE

### **IV. B - Expenditures by Object Or Purpose**

NONE

### **IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

### **IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> SB 5133	<b>Title:</b> Responsible Bidder Criteria	<b>Agency:</b> 405-Department of Transportation
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## Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- No Fiscal Impact (Explain in section II. A)  
*If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.*
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)

- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
- Capital budget impact, **complete Part IV**
- Requires new rule making, **complete Part V**
- Revised

### Dollars in Thousands

	2023-25 Biennium		2025-27 Biennium		202-297 Biennium		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
Expenditures							
108-1-MOTOR VEHICLE	\$132	\$76	\$76	\$76	\$76	\$76	
Total Expenditures	\$132	\$76	\$76	\$76	\$76	\$76	
Biennial Totals		\$208	\$152	\$152	\$152		
FTEs		Salary		FY 2026		FY 2027	
		FY 2024	FY 2025	FY 2028	FY 2029		
Transportation Technical Engineer	\$110,760	0.4	0.2	0.2	0.2	0.2	0.2
Contracts Specialist 1	\$59,688	0.6	0.5	0.5	0.5	0.5	0.5
Transportation Engineer 4	\$100,320	0.1	0.1	0.1	0.1	0.1	0.1
WMS 4	\$140,000	0.1	0.1	0.1	0.1	0.1	0.1
Annual Average		1.1	0.2	0.2	0.2		
Objects of Expenditure		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
A - SALARIES AND WAGES		\$95	\$54	\$54	\$54	\$54	\$54
B - EMPLOYEE BENEFITS		\$37	\$22	\$22	\$22	\$22	\$22
Expenditures by Program		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
PROGRAM I-CAP							
PROGRAM P-CAP							

The cash receipts and expenditure estimates on this fiscal template represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

### Agency Assumptions

N/A
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### Agency Contacts:

Preparer: Jim Cuthbertson	Phone: 360.870.1108	Date: 01/30/2023
Approval: Jon Deffenbacher	Phone: 253.820.3816	Date: 01-30-2023
Budget Manager: Doug Clouse	Phone: 360-705-7535	Date: 01-31-2023

# Individual State Agency Fiscal Note

## Part II: Narrative Explanation

### II. A - Brief description of what the measure does that has fiscal impact

*Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency. List the sections that have fiscal impact to WSDOT only. E.g., "Section 3 directs the Department to ..." No summarizing, no interpreting, and save any background context for the revenue and expenditure parts.*

This bill adds four additional requirements modifying the responsible bidder criteria for public works projects and amends RCW 39.04.350.

The four key additions to bidder requirements in the bill are:

- 1) A bidder must be listed as an active training agent on the department of labor and industries' website.
- 2) A bidder must not have been found out of compliance by the Washington state apprenticeship and training council for not achieving mandatory apprenticeship utilization requirements for the one-year period immediately preceding the date of the bid solicitation.
- 3) At the time of bid submittal, the bidder must have a designated person or persons trained within the previous three years on the requirements of 39.04.350 RCW and 39.12 RCW. Bidders that have completed three or more public works projects and have had a valid business license in Washington for three or more years will no longer be exempt from the training requirement.
- 4) On projects subject to apprenticeship utilization requirements pursuant to RCW 39.04.320, if the bidder has a demonstrated history of being out of compliance with apprenticeship utilization requirements, or 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 a verifiable apprenticeship utilization plan for the awarding agency's review and acceptance prior to award of the public works project.

Within the bill, the Department of Labor and Industries is tasked with keeping records of contractors' compliance with the responsible bidder criteria in subsection (1) of 39.04.350 RCW and must make the records available on its website.

### II. B – Cash Receipts Impact

*Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

N/A.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

The additional four responsible bidder requirements added by the bill will have a long term ongoing fiscal impact for WSDOT. Staff in the Contract Ad and Award office will now be required to check the Department of Labor and Industries websites prior to issuing bid packages to a contractor. This is added work for WSDOT staff and an eligibility check that they do not currently perform. Prior to accepting bids, the websites will need to be rechecked to ensure that the bidder's status did not change from the time they were given a proposal package until the time when bids are received. For bidders who do not meet the eligibility criteria, bid rejections will need to be issued.

# Individual State Agency Fiscal Note

A secondary effect of the legislation is that WSDOT will need to update and revise the Contract Ad and Award Manual, Prime Contractor Performance Report Manual, Construction Manual, and Standard Specifications to align with the proposed legislation. The policy and manual updates are a one-time expenditure and are not expected to be reoccurring.

## One-Time Costs

These one-time costs are associated with policy changes and updates to agency manuals resulting from this legislation. The Contract Ad and Award Manual, Prime Contractor Performance Report Manual, Construction Manual, and Standard Specifications will all need to be revised. These added duties will require the following staff support:

<u>Classification</u>	<u>FTE</u>
Transportation Technical Engineer	0.2
Contracts Specialist 1	0.1
Transportation Engineer 4	0.1
WMS 4	<u>0.1</u>
Total FTE	0.5

## Ongoing Costs

The second source of expenditure has to do with long term checking of bidder qualifications and the handling of bid rejections due to the legislation. These costs are ongoing and are recurring

<u>Classification</u>	<u>FTE</u>
Transportation Technical Engineer	0.2
Contracts Specialist 1	<u>0.5</u>
Total FTE	0.7

## Part III: Expenditure Detail

### III. A - Expenditures by Object or Purpose

N/A

## Part IV: Capital Budget Impact

There is no impact to Capital Budget anticipated.

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

The proposed bill's 39.04.350 RCW Section 1 modifies the responsible bidder criteria for public works projects. WAC 468-16 is specific to WSDOT for the prequalification of contractors for public works contracts. WSDOT currently has a three strikes rule to suspend a contractor's qualifications for not attaining apprenticeship requirements as part of the prime contractor's performance report process. The intersecting requirements of 39.04.350 RCW and WAC 468-16 are now in conflict and the potential conflicts in law need to be corrected.