



BID LISTING



ESSB 5457 promotes fairness and quality on major public works projects

Some public works contractors alter their lists of subcontractors after winning bids so they can pay lower wages and boost profits at the expense of taxpayers — and project quality. ESSB 5457 would reduce “bid shopping” by having more subcontractors listed in bids for major public works projects.

BACKGROUND — When a responsible bidder wins a contract on a public works project, the prime contractor often subcontracts portions of the work to other specialized contractors. Under current law, on projects costing more than \$1 million, the prime contractor must list the subcontractors that will perform HVAC, plumbing, and electrical work.

Except under special circumstances, the prime contractors are not allowed to switch subcontractors for the ones identified on that list. Otherwise, it would incentivize winning bidders to swap for cheaper and cheaper subcontractors—read: lower wage and lower quality companies—after they win public works projects. Those “savings” don’t go to taxpayers. They just pad the profits of the prime contractor at the expense of workers’ pay and project quality. That’s why this “bid shopping” is prohibited.

It’s a a common-sense policy that assures winning bidders provide decent jobs and maintain good quality on major public works projects. The problem is, it only covers *some* subcontractors and not *all* of them.

Which is why we need...

SB 5457 — Senate Bill 5457, as originally introduced by sponsor Sen. Karen Keiser (D-Kent) in 2019, would require prime contractors to list ALL subcontractors on public works projects costing more than \$1 million—not just HVAC, plumbing and electrical subs—and prohibit “bid shopping” from that list. Last year, SB 5457

passed the Senate State Government, Tribal Relations & Elections Committee, but failed to get a Senate floor vote.

ESSB 5457 — This year, the proposed legislation has been scaled back a bit. Engrossed Senate Bill 5457 would specifically require bidders on these major public works projects to list subcontractors for structural steel and rebar installation, in addition to HVAC, plumbing, and electrical subs. ESSB 5457 would also instruct the Capital Projects Advisory Review Board to evaluate subcontractor listing policies and practices to see if the lists of subcontractors should be further expanded, and report to the Legislature by Nov. 1, 2020.

The Washington Building and Construction Trades Council supports the changes in ESSB 5457. On Jan. 24, 2020, it passed the Senate by a 31-16 vote and now goes to the House for consideration. The Washington State Labor Council, AFL-CIO strongly supports its passage.

