HOUSE AMENDMENTS TO HOUSE BILL 2618

By COMMITTEE ON WORKFORCE AND ECONOMIC DEVELOPMENT

May 10

1 On <u>page 1</u> of the printed bill, line 2, after "ORS" delete the rest of the line and insert "279C.800, 2 279C.820, 279C.830, 279C.840, 279C.845, 279C.850 and 279C.865.".

3 Delete lines 6 through 28 and delete page 2 and insert:

4 "<u>SECTION 2.</u> (1) Except as provided in subsection (2) of this section, a public agency may 5 not enter into a contract for public works, as defined in ORS 279C.800, for which the contract 6 price exceeds \$750,000 unless the public agency has verified that every employer under the 7 contract, including the contractor and any subcontractor, is an approved training agent that 8 is approved by a local joint committee under ORS 660.137.

9 "(2) A public agency may enter into a contract described in subsection (1) of this section 10 even if an employer under the contract is not an approved training agent, if the employer is 11 not an approved training agent because a local joint committee or program for the 12 apprenticeable occupations used by the employer does not exist in this state. This subsection 13 does not require an employer to start a local joint committee or become an approved training 14 agent if a committee or program does not exist in this state.

"(3) If no local joint committee for an apprenticeable occupation used by an employer exists in the county in which the employer is located, the State Director of Apprenticeship and Training may extend the jurisdiction of a local joint committee in an adjoining county to the county in which the employer is located. The director's action is subject to ratification by the State Apprenticeship and Training Council.

20 "SECTION 3. ORS 279C.820 is amended to read:

21 "279C.820. (1) The Commissioner of the Bureau of Labor and Industries shall appoint an advisory
 22 committee to assist the commissioner in the administration of ORS 279C.800 to 279C.870.

23 "(2) The advisory committee must include equal representation of members from management 24 and labor in the building and construction industry who perform work on public works contracts 25 and such other interested parties as the commissioner shall appoint.

"(3) The advisory committee, at least once each year, shall evaluate the minimum percentage set forth in section 6 of this 2007 Act and make recommendations to the commissioner concerning needed adjustments in the minimum percentage. The advisory committee shall base the recommendations on actual or projected increases or decreases in the availability of apprentices in apprenticeable occupations used by employers in public works projects.

"(4) The advisory committee shall consult with the State Apprenticeship and Training
 Council when necessary to:

"(a) Determine the current and projected availability of apprentices in apprenticeable
 occupations used by employers in public works projects; and

1 "(b) Make recommendations to the commissioner or otherwise assist the commissioner

2 in the administration of the provisions of ORS 279C.800 to 279C.870 related to apprenticeship

3 requirements in public works contracts.

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"<u>SECTION 4.</u> ORS 279C.830 is amended to read:

5 "279C.830. (1)(a) The specifications for every contract for public works shall contain a provision 6 stating the existing state prevailing rate of wage and, if applicable, the federal prevailing rate of 7 wage required under the Davis-Bacon Act (40 U.S.C. 276a) that may be paid to workers in each trade 8 or occupation required for the public works employed in the performance of the contract either by 9 the contractor or subcontractor or other person doing or contracting to do the whole or any part 10 of the work contemplated by the contract.

"(b) If a public agency is required under paragraph (a) of this subsection to include the state and federal prevailing rates of wage in the specifications, the public agency also shall include in the specifications information showing which prevailing rate of wage is higher for workers in each trade or occupation in each locality, as determined by the Commissioner of the Bureau of Labor and Industries under ORS 279C.815 (2)(b).

16 "(c) Every contract and subcontract shall contain a provision that the workers shall be paid not 17 less than the specified minimum hourly rate of wage in accordance with ORS 279C.838.

"(2) The specifications for every contract for public works between a public agency and a contractor shall contain a provision stating that a fee is required to be paid to the Commissioner of the Bureau of Labor and Industries as provided in ORS 279C.825 (1). The contract shall contain a provision that the fee shall be paid to the commissioner under the administrative rule of the commissioner.

"(3) The specifications for every contract for public works shall contain a provision stating that the contractor and every subcontractor must have a public works bond filed with the Construction Contractors Board before starting work on the project, unless exempt under ORS 279C.836 (7) or (8). Every contract awarded by a contracting agency shall contain a provision requiring the contractor:

"(a) To have a public works bond filed with the Construction Contractors Board before starting
work on the project, unless exempt under ORS 279C.836 (7) or (8).

"(b) To include in every subcontract a provision requiring the subcontractor to have a public
works bond filed with the Construction Contractors Board before starting work on the project, unless exempt under ORS 279C.836 (7) or (8).

32 "(4)(a) The specifications for every contract for public works for which the contract price 33 exceeds \$750,000 shall contain a provision stating that the contractor and every subcontrac-34 tor must be an approved training agent that is approved by a local joint committee under 35 ORS 660.137, if a committee or program of apprenticeship and training for the apprenticeable 36 occupations used by the contractor or subcontractor exists in this state.

37 "(b) For a contract between a public agency and a contractor for which the contract 38 price exceeds \$750,000, the specifications required by paragraph (a) of this subsection also 39 shall contain a provision stating the minimum percentage of the total hours worked on the 40 public works project by workers in apprenticeable occupations that must be performed by 41 apprentices participating in programs of apprenticeship and training under ORS 660.002 to 42660.210. The minimum percentage set forth in the specifications may not be less than the minimum percentage set forth in section 6 of this 2007 Act. The workers may be employed 43 44 by the contractor or any subcontractor on the public works project, except that a subcon-45 tractor shall independently meet the minimum percentage requirement in performing work 1 on any subcontract for which the subcontract price exceeds \$750,000.

"(c) A contract or subcontract for public works for which the contract price exceeds
\$750,000 shall contain a provision stating that the contractor and every subcontractor must
be an approved training agent that is approved by a local joint committee under ORS 660.137,
if a committee or program of apprenticeship and training for the apprenticeable occupations
used by the contractor or subcontractor exists in this state.

7 (d) A contract described in paragraph (c) of this subsection between a public agency and 8 a contractor and any subcontract between a contractor and a subcontractor for which the subcontract price exceeds \$750,000 also shall contain a provision stating the minimum per-9 centage of the total hours worked on the public works project by workers in apprenticeable 10 11 occupations that must be performed by apprentices participating in programs of apprenticeship and training under ORS 660.002 to 660.210. The minimum percentage set forth in the 1213contract or subcontract may not be less than the minimum percentage set forth in section 6 of this 2007 Act. The workers may be employed by the contractor or any subcontractor on 14 15 the public works project, except that a subcontractor shall independently meet the minimum 16 percentage requirement in performing work on any subcontract for which the subcontract price exceeds \$750,000. 17

"<u>SECTION 5.</u> Section 6 of this 2007 Act is added to and made a part of ORS 279C.800 to
 279C.870.

²⁰ "<u>SECTION 6.</u> (1) A contractor or subcontractor that is a party to a contract for public ²¹ works for which the contract price exceeds \$750,000 shall employ apprentices participating ²² in programs of apprenticeship and training under ORS 660.002 to 660.210 for at least 15 per-²³ cent of the total hours worked on the public works project by workers in apprenticeable oc-²⁴ cupations. Either the contractor or the subcontractor may meet the requirement set forth ²⁵ in this subsection, except that the subcontractor shall independently meet the requirement ²⁶ in performing work on any subcontract for which the subcontract price exceeds \$750,000.

27"(2) If a contractor or subcontractor subject to subsection (1) of this section is unable at any time after the execution of the contract to meet the requirement set forth in sub-2829 section (1) of this section because too few apprentices are available to the contractor or subcontractor, the contractor shall notify the Commissioner of the Bureau of Labor and In-30 dustries and the public agency that awarded the contract for public works. In the notification 3132the contractor shall document the contractor's or subcontractor's efforts to locate and em-33 ploy suitable apprentices in sufficient detail to enable the commissioner to verify that the 34contractor or subcontractor is unable to meet the requirement set forth in subsection (1) 35 of this section because too few apprentices are available to the contractor or subcontractor.

36 "(3) If the commissioner verifies the information contained in the notification provided 37 under subsection (2) of this section, the commissioner may adjust the minimum percentage 38 required under subsection (1) of this section to reflect the number of apprentices available 39 to the contractor or subcontractor for work on the affected public works contract.

40 "(4) Every contractor or subcontractor engaged on a project for which there is a contract 41 for public works shall post notices of the requirement set forth in subsection (1) of this 42 section in conspicuous and accessible places in or about the project, preferably in the same 43 places as the notice required under ORS 279C.840 (4). The notice shall describe the require-44 ment and shall contain information about how to report a violation of the requirement to the 45 commissioner and where to obtain further information. 1 "(5) Except as provided in subsections (2) and (3) of this section, a person may not take 2 any action to circumvent the requirement set forth in subsection (1) of this section, includ-3 ing, but not limited to, structuring the work performed on a project so as to avoid employing

4 workers in apprenticeable occupations.

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"SECTION 7. ORS 279C.845 is amended to read:

6 "279C.845. (1) The contractor or the contractor's surety and every subcontractor or the sub-7 contractor's surety shall file certified statements with the public agency in writing, on a form pre-8 scribed by the Commissioner of the Bureau of Labor and Industries, certifying:

9 "(a) The hourly rate of wage paid each worker whom the contractor or the subcontractor has 10 employed upon the public works; and

"(b) That no worker employed upon the public works has been paid less than the prevailing rate of wage or less than the minimum hourly rate of wage specified in the contract.

"(2) The certified statement shall be verified by the oath of the contractor or the contractor's surety or subcontractor or the subcontractor's surety that the contractor or subcontractor has read the certified statement and knows the contents thereof and that the same is true to the contractor or subcontractor's knowledge.

"(3) The certified statements shall set out accurately and completely the payroll records for the prior week, including the name and address of each worker, the worker's correct classification, the worker's apprenticeship agreement registration number, if any, rate of pay, daily and weekly number of hours worked, deductions made and actual wages paid.

"(4) In addition to the certified statements required by subsection (1) of this section, the contractor or the contractor's surety and every subcontractor or the subcontractor's surety shall file certified apprenticeship utilization statements with the public agency, in writing and on a form prescribed by the commissioner, that show the weekly cumulative total of hours worked on the public works project by apprentices participating in programs of apprenticeship and training under ORS 660.002 to 660.210. The statements required by this subsection shall be verified as provided in subsection (2) of this section.

"[(4)] (5) The contractor or subcontractor shall deliver or mail each certified statement required by [subsection (1)] subsections (1) and (4) of this section to the public agency. Certified statements for each week during which the contractor or subcontractor employs a worker upon the public works shall be submitted once a month, by the fifth business day of the following month. Information submitted on certified statements may be used only to ensure compliance with the provisions of ORS 279C.800 to 279C.870.

34 "[(5)] (6) Each contractor or subcontractor shall preserve the certified statements for a period 35 of three years from the date of completion of the contract.

"(6)] (7) Certified statements received by a public agency are public records subject to the provisions of ORS 192.410 to 192.505.

38 "[(7)] (8) Notwithstanding ORS 279C.555 or 279C.570 (7), if a contractor is required to file cer-39 tified statements under this section, the public agency shall retain 25 percent of any amount earned 40 by the contractor on the public works until the contractor has filed with the public agency certified 41 statements as required by this section. The public agency shall pay the contractor the amount re-42tained under this subsection within 14 days after the contractor files the certified statements as required by this section, regardless of whether a subcontractor has failed to file certified statements 43 44 as required by this section. The public agency is not required to verify the truth of the contents of 45 certified statements filed by the contractor under this section.

"[(8)] (9) Notwithstanding ORS 279C.555, the contractor shall retain 25 percent of any amount 1 2 earned by a first-tier subcontractor on a public works until the subcontractor has filed with the public agency certified statements as required by this section. The contractor shall verify that the 3 first-tier subcontractor has filed the certified statements before the contractor may pay the subcon-4 tractor any amount retained under this subsection. The contractor shall pay the first-tier subcon-5 tractor the amount retained under this subsection within 14 days after the subcontractor files the 6 7 certified statements as required by this section. Neither the public agency nor the contractor is re-8 quired to verify the truth of the contents of certified statements filed by a first-tier subcontractor 9 under this section.

10 "(10) For purposes of this section, 'certified statement' includes the certified statements 11 described in subsection (1) of this section and the certified apprenticeship utilization state-12 ments described in subsection (4) of this section.

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"<u>SECTION 8.</u> ORS 279C.850 is amended to read:

"279C.850. (1) At any reasonable time the Commissioner of the Bureau of Labor and Industries may enter the office or business establishment of any contractor or subcontractor performing public works and gather facts and information necessary to determine whether [the prevailing rate of wage is actually being paid by such contractor or subcontractor to workers upon public works.] the contractor or subcontractor is:

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"(a) Actually paying the prevailing rate of wage to workers upon public works; and

"(b) Meeting the requirement set forth in section 6 of this 2007 Act.

21"(2) Upon request by the commissioner, every contractor or subcontractor performing work on 22public works shall make available to the commissioner for inspection during normal business hours 23any payroll or other records in the possession or under the control of the contractor or subcontractor that are deemed necessary by the commissioner to determine whether the prevailing rate 24 25of wage is actually being paid by such contractor or subcontractor to workers upon public works 26and whether the contractor or subcontractor is meeting the requirement set forth in section 276 of this 2007 Act. The commissioner's request must be made a reasonable time in advance of the 28inspection.

"(3) Notwithstanding ORS 192.410 to 192.505, any record obtained or made by the commissioner under this section is not open to inspection by the public.

"(4) The commissioner may, without necessity of an assignment, initiate legal proceedings against employers to enjoin future failures to pay required prevailing rates of wage or overtime pay and to require the payment of prevailing rates of wage or overtime pay due employees. The commissioner is entitled to recover, in addition to other costs, such sum as the court or judge may determine reasonable as attorney fees. If the commissioner does not prevail in the action, the commissioner shall pay all costs and disbursements from the Bureau of Labor and Industries Account.

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"SECTION 9. ORS 279C.865 is amended to read:

"279C.865. (1) In addition to any other penalty provided by law, the Commissioner of the Bureau
of Labor and Industries may assess a civil penalty not to exceed \$5,000 for each violation of any
provision of ORS 279C.800 to 279C.870 or any rule of the commissioner adopted thereunder.

42 "(2) In addition to any penalty assessed under subsection (1) of this section, the com-43 missioner may assess a civil penalty for violation of the requirement set forth in section 6 44 of this 2007 Act in a dollar amount equal to 20 times the number of hours required under 45 section 6 of this 2007 Act to be performed by apprentices participating in programs of ap-

prenticeship and training under ORS 660.002 to 660.210 less 20 times the number of hours 1 2 actually performed by such apprentices.

"[(2)] (3) Civil penalties under this section shall be imposed as provided in ORS 183.745. 3

4 "[(3)] (4) All moneys collected as penalties under this section shall be first applied toward reimbursement of costs incurred in determining violations, conducting hearings and assessing and 5 collecting the penalties. The remainder, if any, of moneys collected as penalties under this section 6 7 shall be paid into the State Treasury and credited to the General Fund and are available for general 8 governmental expenses.

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"SECTION 10. ORS 279C.800 is amended to read:

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"279C.800. As used in ORS 279C.800 to 279C.870, unless the context requires otherwise:

11 "(1) 'Apprentice' has the meaning given that term in ORS 660.010.

"(2) 'Apprenticeable occupation' has the meaning given that term in ORS 660.010. 12

"(3) 'Apprenticeship agreement' has the meaning given that term in ORS 660.010. 13

"(4) 'Employer' has the meaning given that term in ORS 660.010. 14

15"(1)] (5) 'Fringe benefits' means the amount of:

16 "(a) The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or 17 to a third person under a plan, fund or program; and

18 "(b) The rate of costs to the contractor or subcontractor that may be reasonably anticipated in 19 providing benefits to workers pursuant to an enforceable commitment to carry out a financially re-20sponsible plan or program that is committed in writing to the workers affected, for medical or hos-21pital care, pensions on retirement or death, compensation for injuries or illness resulting from 22occupational activity, or insurance to provide any of the foregoing, for unemployment benefits, life 23insurance, disability and sickness insurance or accident insurance, for vacation and holiday pay, for defraying costs of apprenticeship or other similar programs or for other bona fide fringe benefits, 24 25but only when the contractor or subcontractor is not required by other federal, state or local law 26to provide any of these benefits.

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"[(2)] (6) 'Locality' means the following district in which the public works, or the major portion thereof, is to be performed: 28

- 29 "(a) District 1, composed of Clatsop, Columbia and Tillamook Counties;
- "(b) District 2, composed of Clackamas, Multnomah and Washington Counties; 30

"(c) District 3, composed of Marion, Polk and Yamhill Counties; 31

- "(d) District 4, composed of Benton, Lincoln and Linn Counties; 32
- 33 "(e) District 5, composed of Lane County;
- "(f) District 6, composed of Douglas County; 34
- "(g) District 7, composed of Coos and Curry Counties; 35
- "(h) District 8, composed of Jackson and Josephine Counties; 36
- 37 "(i) District 9, composed of Hood River, Sherman and Wasco Counties;
- "(j) District 10, composed of Crook, Deschutes and Jefferson Counties; 38
- "(k) District 11, composed of Klamath and Lake Counties; 39
- 40 "(L) District 12, composed of Gilliam, Grant, Morrow, Umatilla and Wheeler Counties;
- 41 "(m) District 13, composed of Baker, Union and Wallowa Counties; and
- 42"(n) District 14, composed of Harney and Malheur Counties.
- "[(3)] (7) 'Prevailing rate of wage' means the rate of hourly wage, including all fringe benefits, 43

44 paid in the locality to the majority of workers employed on projects of similar character in the same

45 trade or occupation, as determined by the Commissioner of the Bureau of Labor and Industries. In

1 making such determinations, the commissioner shall rely on an independent wage survey to be 2 conducted once each year. However, if it appears to the commissioner that the data derived from the survey alone are insufficient to establish the rate, the commissioner also shall consider addi-3 4 tional information such as collective bargaining agreements, other independent wage surveys and the prevailing rates of wage determined by appropriate federal agencies or agencies of adjoining 5 6 states. If there is not a majority in the same trade or occupation paid at the same rate, the average 7 rate of hourly wage, including all fringe benefits, paid in the locality to workers in the same trade 8 or occupation shall be the prevailing rate. If the wage paid by any contractor or subcontractor to 9 workers on any public works is based on some period of time other than an hour, the hourly wage 10 shall be mathematically determined by the number of hours worked in that period of time.

"[(4)] (8) 'Public agency' means the State of Oregon or any political subdivision thereof or any county, city, district, authority, public corporation or entity and any of their instrumentalities or-ganized and existing under law or charter.

"[(5)] (9) 'Public works' includes, but is not limited to, roads, highways, buildings, structures and improvements of all types, the construction, reconstruction, major renovation or painting of which is carried on or contracted for by any public agency to serve the public interest but does not include the reconstruction or renovation of privately owned property that is leased by a public agency.

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"<u>SECTION 11.</u> ORS 279C.840 is amended to read:

19 "279C.840. (1) The hourly rate of wage to be paid by any contractor or subcontractor to workers 20upon all public works shall be not less than the prevailing rate of wage for an hour's work in the 21same trade or occupation in the locality where the labor is performed. The obligation of a contractor 22or subcontractor to pay the prevailing rate of wage may be discharged by making the payments in 23cash, by the making of contributions of a type referred to in ORS 279C.800 [(1)(a)] (5)(a), or by the assumption of an enforceable commitment to bear the costs of a plan or program of a type referred 24 25to in ORS 279C.800 [(1)(b)] (5)(b), or any combination thereof, where the aggregate of any such payments, contributions and costs is not less than the prevailing rate of wage. 26

"(2) After a contract for public works is executed with any contractor or work is commenced upon any public works, the amount of the prevailing rate of wage is not subject to attack in any legal proceeding by any contractor or subcontractor in connection with that contract.

"(3) It is not a defense in any legal proceeding that the prevailing rate of wage is less than the amount required to be in the specifications of a contract for public works, or that there was an agreement between the employee and the employer to work at less than the wage rates required to be paid under this section.

34 "(4) Every contractor or subcontractor engaged on a project for which there is a contract for 35 a public works shall keep the prevailing rates of wage for that project posted in a conspicuous and 36 accessible place in or about the project. The Commissioner of the Bureau of Labor and Industries 37 shall furnish without charge copies of the prevailing rates of wage to contractors and subcontrac-38 tors.

³⁹ "(5) Every contractor or subcontractor engaged on a project for which there is a contract for ⁴⁰ a public works to which the prevailing wage requirements apply that also provides or contributes ⁴¹ to a health and welfare plan or a pension plan, or both, for the contractor or subcontractor's em-⁴² ployees on the project shall post a notice describing the plan in a conspicuous and accessible place ⁴³ in or about the project. The notice preferably shall be posted in the same place as the notice re-⁴⁴ quired under subsection (4) of this section. In addition to the description of the plan, the notice shall ⁴⁵ contain information on how and where to make claims and where to obtain further information. 1 "(6)(a) Except as provided in paragraph (c) of this subsection, no person other than the con-2 tractor or subcontractor may pay or contribute any portion of the prevailing rate of wage paid by 3 the contractor or subcontractor to workers employed in the performance of a public works contract.

4 "(b) For the purpose of this subsection, the prevailing rate of wage is the prevailing rate of wage 5 specified in the contract.

6 "(c) This subsection is not intended to prohibit payments to a worker who is enrolled in any 7 government-subsidized training or retraining program.

8 "(7) A person may not take any action that circumvents the payment of the prevailing rate of 9 wage to workers employed on a public works contract, including, but not limited to, reducing an 10 employee's regular rate of pay on any project not subject to ORS 279C.800 to 279C.870 in a manner 11 that has the effect of offsetting the prevailing rate of wage on a public works project.

12 "<u>SECTION 12.</u> (1) Section 6 of this 2007 Act and the amendments to ORS 279C.830 (4)(b) 13 and (d), 279C.850 and 279C.865 by sections 4, 8 and 9 of this 2007 Act do not become operative 14 until January 1, 2013, for contracts for public works between the Department of Transpor-15 tation and a contractor.

"(2) If at any time after the effective date of this 2007 Act and before January 1, 2013, the department fails to maintain a workforce development plan in which at least 10 percent of the total hours of work per craft under contracts for public works between the department and a contractor are performed by apprentices, section 6 of this 2007 Act and the amendments to ORS 279C.830 (4)(b) and (d), 279C.850 and 279C.865 by sections 4, 8 and 9 of this 2007 Act become immediately operative for contracts for public works between the department and contractors.

"(3) The department shall prepare and submit a biennial report to the Legislative Assembly describing the department's workforce development plan and progress the department is making toward meeting the goals set forth in section 6 of this 2007 Act and the amendments to ORS 279C.830 (4)(b) and (d) by section 4 of this 2007 Act. The first report is due on January 1, 2009.

"SECTION 13. Except as provided in section 12 of this 2007 Act, sections 2 and 6 of this
2007 Act and the amendments to ORS 279C.800, 279C.820, 279C.830, 279C.840, 279C.845, 279C.850
and 279C.865 by sections 3, 4 and 7 to 11 of this 2007 Act apply only to public works contracts
first advertised, or if not advertised then entered into, on or after the effective date of this
2007 Act.".

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