



# APPRENTICE UTILIZATION REQUIREMENTS IN PUBLIC WORKS



# INTRODUCTION



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Aleanna is a consultant and managing member of Public Procurement Partners of Washington, contracted with the Municipal Research Services Center of Washington (MRSC) as a trainer and educator. With nearly two decades of experience in public procurement, Aleanna has held various titles, accreditations, and certificates in the procurement and public works sectors. She holds a master's degree in public administration and actively volunteers on several boards and community organizations dedicated to enhancing public contracting.



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# AGENDA

1. Overview of Apprentice Utilization Requirements (AURs)
2. Current Practices in Implementing AURs
3. Questions
4. Resources and Training

# AUR OVERVIEW

## Background

- In 22/23 legislative session, [HB1050](#) expanded the requirement for public works project to use registered state apprentices on public works project by modifying [RCW 39.04.310-320](#).
- RCW [39.04.320](#), has existed since 2005 and was focused on state agencies, higher education and WSDOT.
- Some local governments (big counties, larger cities, etc.) had adopted resolutions and ordinances to include apprentice utilization, but prior to July 1, 2024, it was not required.

# AUR OVERVIEW

## *What does the statute say?*

For **all** public works contracts...*specifications must require* that no less than 15 percent (15%) of the labor hours be performed by apprentices. (RCW 39.04.320(1)(a)(ii))

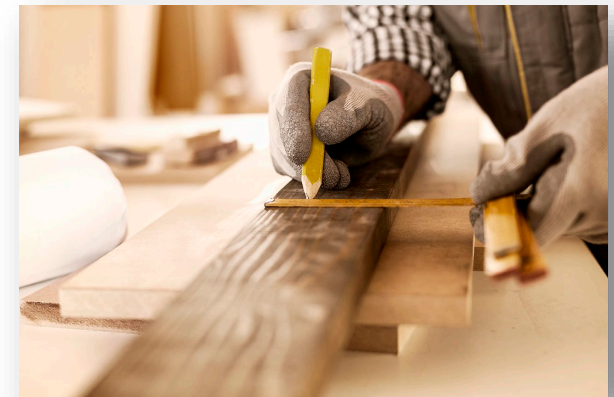
- Estimated to cost **\$2M** beginning **July 1, 2024**
- Estimated to cost \$1.5M beginning July 1, 2026
- Estimated to cost \$1M beginning July 1, 2028

**Practice Tip:** Estimate is a district's project estimate or engineer's estimate it is NOT a bid amount.

# AUR OVERVIEW

## What are apprentice utilization requirements (AURs)?

AURs are the obligation for a prime contractor, and any subcontractor that employs hourly workers, to hire apprentices that are enrolled in a state-approved apprentice program to perform **15% of the labor hours** on a public works project.



# AUR OVERVIEW

## Water and Sewer District Responsibilities

1. **Incorporate** Apprentice Utilization Requirements *in bidding and contract documents*
2. **Ensure** contractors have a viable **plan** to use apprentices on public works projects
3. **Monitor** compliance and **reporting**
4. **Adjust** apprentice utilization percentages, if needed
5. **Pay** incentives or **assess** penalties

A close-up photograph of a person's hand holding a silver pen, signing a document. The hand is wearing a ring. The document is white with some text and lines. The background is blurred, showing other people in a meeting setting.

# IMPLEMENTING AURS

Incorporating and  
enforcing AUR  
requirements in bidding  
documents and contracts



# IMPLEMENTING AURS

## *What does the statute say about bidding documents and contracts?*

- **RCW 39.04.320(1)(a)(ii)** “...As of July 1, 2024, for all public works contracts awarded by a municipality estimated to cost \$2,000,000 or more, ***all specifications must require*** that no less than 15 percent of the labor hours be performed by apprentices.”
- **RCW 39.04.320(4)(b)** “...***There must be a specific line item in the contract*** specifying that apprenticeship utilization goals should be met, *monetary incentives* for meeting the goals, *monetary penalties* for not meeting the goals, and an *expected cost value to be included in the bid* associated with meeting the goals.”
- **RCW 39.04.320(8)** “All contracts subject to this section ***must include specifications*** that a contractor or subcontractor may not be required to exceed the apprenticeship utilization requirements of this section.”
- **RCW 39.04.350(1)(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 ...under chapter **49.04** RCW for the ***one-year period immediately preceding*** the date of the bid solicitation.
- **RCW 39.04.350(2)(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.”

# IMPLEMENTING AURS

*How are AURs typically included in bidding documents and contract?*

1. **Advertisement/Invitation for Bid** (*requirement, incentives, penalties*)
2. **Instructions to Bidders**/Bidding Processes (bidder responsibility criteria, bid consideration, bidder's checklist)
3. **Bid Form** (*costs, incentives, penalties*)
4. **Agreement** Form or Contract (signature, acknowledgement of requirements)
5. **Apprentice Utilization Plan** (form)
6. *Progress Payment Cover Sheet* (compliance checklist)
7. **General Conditions**
  - a. Bid item/line-item descriptions
  - b. Acceptable Good Faith Efforts definitions
  - c. Subcontracting "management" and flow down provisions
  - d. Payment process (transactions)
  - e. Compliance/monitoring policies and procedures
  - f. Enforcement protocols (e.g., contractor evaluation, strikes, etc.)
  - g. **Prevailing wage** and certified payroll

Other related topics sometime used:

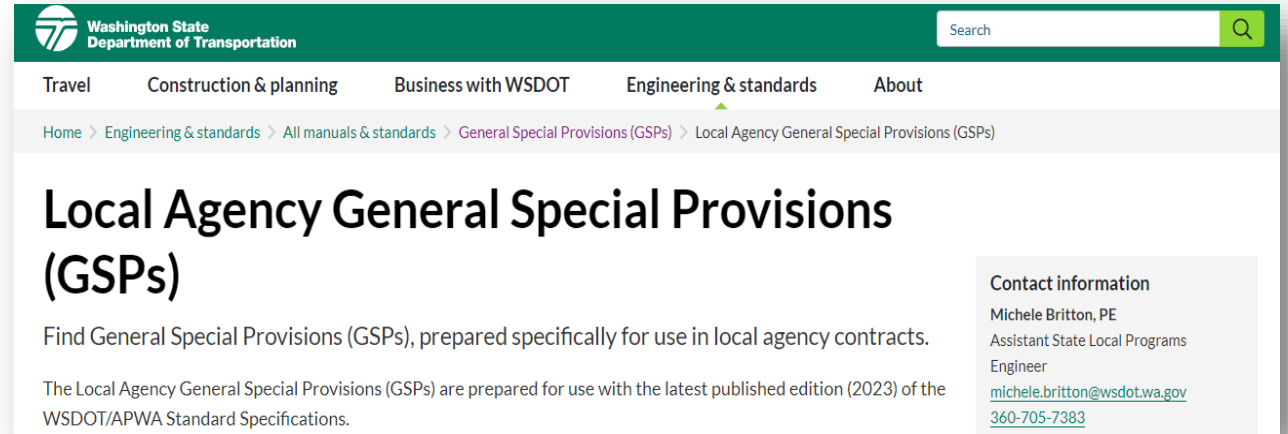
- Bidder's Subcontractor List
- Subcontractor Inclusions  
Plans/DBE plans
- Contractor performance

# BIDDING DOCUMENTS



## Local Agency GSP Website Includes

1. APWA GSP index & Instructions
2. Current local Agency APWA GSPs
3. Local Agency Forms & Documents



**Practice Tip:** Customization is required, municipalities are advised NOT to use the documents “out of the box.” There are too many processes and policies that are WSDOT specific. Use them as a place to start.

## Links and Contacts

### APWA Contacts

APWA Co-Chair, Diane Sheesley (Transtech Engineers)  
APWA Co-Chair, Aubrey Collier (City of Lacey)  
Apprenticeship SME, Susan Holdener (Pierce County)

[dsheesley@trantecheng.com](mailto:dsheesley@trantecheng.com)

<https://wsdot.wa.gov/engineering-standards/all-manuals-and-standards/general-special-provisions-gsps/local-agency-general-special-provisions-gsps>

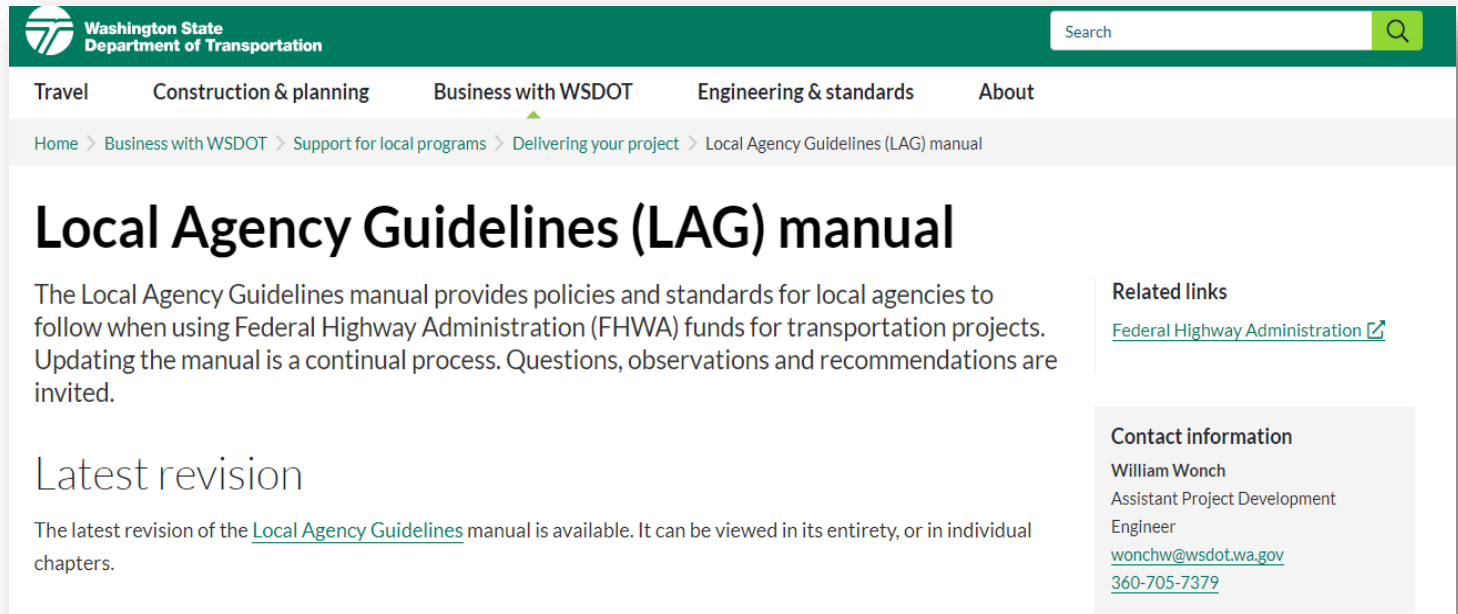
<https://wsdot.wa.gov/business-wsdot/how-do-business-us/electronic-forms>

<https://washington.apwa.org/news-and-announcements/construction-standards-committee-2024-gsp-process-timeline/>

# FHWA AND APPRENTICE UTILIZATION

## WSDOT/FHWA funded projects

- FHWA Approval of the APWA “Apprentice Utilization” is required.
- Interim guidance for Apprenticeship will be posted on the LAG Manual webpage under, “Local Programs bulletins”



The screenshot shows the WSDOT website with a green header. The main navigation bar includes links for Travel, Construction & planning, Business with WSDOT, Engineering & standards, and About. A search bar is located in the top right corner. Below the navigation bar, a breadcrumb trail reads: Home > Business with WSDOT > Support for local programs > Delivering your project > Local Agency Guidelines (LAG) manual. The main content area features the title "Local Agency Guidelines (LAG) manual" in large, bold, black text. Below the title, a paragraph states: "The Local Agency Guidelines manual provides policies and standards for local agencies to follow when using Federal Highway Administration (FHWA) funds for transportation projects. Updating the manual is a continual process. Questions, observations and recommendations are invited." To the right of this text is a "Related links" section with a link to "Federal Highway Administration" and an external link icon. Below the main text is a "Latest revision" section, which states: "The latest revision of the [Local Agency Guidelines](#) manual is available. It can be viewed in its entirety, or in individual chapters." To the right of this section is a "Contact information" box containing the name "William Wonch", his title "Assistant Project Development Engineer", his email "wonchw@wsdot.wa.gov", and his phone number "360-705-7379".

<https://wsdot.wa.gov/engineering-standards/all-manuals-and-standards/manuals/local-agency-guidelines-lag>

# IMPLEMENTING AURS

## The “cost”

### *What does the statute say?*

RCW 39.04.320(4)(b) “...there *must be a specific line item* in the contract... and **an expected cost value** to be included in the bid associated with meeting the goals.”

**Current practice:** “any cost associated is included in the cost of “the work” (other items, etc.)”

**Translation:** *no separate compensation* for hiring or using apprentices.

### **Challenge with current practice:**

*There is an actual cost*, varies by program and in many cases more expensive than a differential of journey level and apprentice level rates.



## KEY TAKEAWAYS – DOCUMENTS AND FORMS

1. State requirements in ITB
2. Use forms
3. Include wages
4. Definitions go a long way
5. **There is a cost**
6. Prepare to enforce the contract

# IMPLEMENTING AURS

## Apprentice Utilization Plan (AUP)

An apprentice utilization plan is a bidder's plan on how to use of registered apprentices on public works projects. The plan includes **all** hourly workers, including subcontractors.

### *What does the statute say?*

- **RCW 39.04.350(2)(e)** says “If the bidder has a history of receiving monetary penalties...or is a habitual in utilizing good faith efforts, **the bidder must submit an apprentice utilization plan...**”
- **RCW 39.04.310(2)** defines an Apprentice Utilization Plan “...as a plan submitted by a **prospective bidder** specifically detailing *verifiable efforts* to meet the apprenticeship utilization requirements.” The use of the term “prospective” implies a plan should be considered with a bid.



# IMPLEMENTING AURS

## What should and AUP contain?

- A list of all trades, and employees if known, and subcontractors to be used on the project
- The approved program and the registered apprentices to be use
- Approximate date of work to start
- Estimate of all labor hours to perform
- Initial AUR percentage calculation

**Practice Tip:** you are looking for indicators if the project is totally “bought out” and all subcontractors are assigned or if there work scopes not subcontracted for where opportunity may still be.

### PROJECT APPRENTICE UTILIZATION PLAN

Project Name and No.		AUR	15%
Prime Contractor Name			
Initial Date Submitted		Revision No.	
Submitted By		Revision Date	

\* Include labor hours and count for all trades, including those performed by Subcontractors. **Mark all revisions in RED.**

#### Part A

Prime	Program/Trade	No.	Name	Estimated Journey Level Hours	Estimated Apprentice Hours
	Total Estimated Hours Part A				

#### Part B

Subcontractor business name	Estimated Start Date	Program/Trade	Name	No.	Estimated Journey Level Hours	Estimated Apprentice Hours
Total Estimated Hours Part B						
Total Estimated Hours Part A (from above)						
Total apprentice utilization percentage based on planned values						

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Good faith efforts needed\*? ☐ yes ☐ no



# IMPLEMENTING AURS

## Apprentice Utilization Plan (AUP)

When	Pro	Con
Preconstruction Conference	<ul style="list-style-type: none"><li>• Already collecting several other submittals including schedule, requests to sublet or similar</li><li>• Gives the contractor more time to subcontract</li></ul>	<ul style="list-style-type: none"><li>• Another item to slow things down</li><li>• Review staff may not be part of the preconstruction process</li></ul>
30 days after NTP	<ul style="list-style-type: none"><li>• Currently practiced by state agencies, familiar process.</li></ul>	<ul style="list-style-type: none"><li>• Not tied to other requirements</li><li>• Often forgotten and not collected.</li></ul>
With the Bidder Subcontractor List*	<ul style="list-style-type: none"><li>• Same topic...subcontractors, makes sense to combine similar subjects</li></ul>	<ul style="list-style-type: none"><li>• More administrative process</li><li>• More opportunity for being non-responsive.</li></ul>
With pre-award documentation	<ul style="list-style-type: none"><li>• Other paperwork is being collected</li></ul>	<ul style="list-style-type: none"><li>• More administrative process, specific agency staff may not be involved.</li></ul>
With the bid	<ul style="list-style-type: none"><li>• Specific compliance with the definition "...a prospective bidder..."</li></ul>	<ul style="list-style-type: none"><li>• More opportunity to "trip up" responsiveness.</li></ul>

*\*and/or "DBE, Diverse Business Inclusion Plan or social equity plan"*

# IMPLEMENTING AURS

## The benefits of an AUP

- A plan, before there is an issue
- Indicates timing and flow of a project
- Can be a precursor to prevailing wage compliance
- Opportunity to leverage other processes





# APPRENTICE UTILIZATION PLAN

- Leverage AUPs
- Use a form
- Tie to other subcontracting pieces
- Embrace its benefits...it does help in anticipating activities on a project.

# IMPLEMENTING AURS

## Monitoring compliance and reporting

1. Intents
2. Certified Payrolls/Prevailing Wage
3. Affidavits
4. *Adjusting*
5. *Penalties (incentives)*

**Practice Tip:** Check AUP against PWIA prior to making any progress payment



# IMPLEMENTING AURS

## What is L&I's role in apprentice utilization?

- Ensure the *appropriate wage* is being paid to all trade/hourly workers on a project, including registered apprentices.
- *Track* worker classifications and all labor hours of a project.
- *Collect data and report* on apprentice utilization, good faith efforts, and any penalties assessed.
- Answer questions and *provide consultation* to awarding agencies or contractors.

Apprentice Utilization		Apprentice utilization is required on this project.
<b>Certified Payroll Reports</b> provide <i>real-time data</i> during the project. <b>Affidavits</b> provide <i>final utilization data</i> once all forms have been filed. <b>Note:</b> For <i>real-time data</i> , all contractors on the project must file their certified payroll reports on a weekly basis using L&I's online system. <a href="#">Learn more about the apprentice utilization requirement.</a>		
Based On Certified Payroll Reports: ⓘ	Journey Level Hours	647
	Apprentice Hours	114
	Apprentice Utilization Percentage	14.98%
Based On Affidavits: ⓘ	Journey Level Hours	482
	Apprentice Hours	63
	Apprentice Utilization Percentage	11.56%
Reports:		<a href="#">Project Apprentice Utilization By Contractor</a> <a href="#">Project Apprentice Utilization By Trade</a>



# IMPLEMENTING AURS

## What is L&I looking for?

1. Project set up in PWIA with **apprentice requirement checked** – Awarding Agency
2. **Intents** – listing classified trades to be used and the wage rate to be paid – PWIA – Contractor(s)
3. **Affidavits** – listing classifications used, hours, wages – PWIA – Contractor(s)
4. **Certified Payrolls** – PWIA – Contractor(s)
5. If apprentice utilization percentage not achieved, looking for **accepted good faith efforts and or penalties assessed** – PWIA – Awarding Agency

The image displays three overlapping screenshots of the AURS (Apprentice Utilization Reporting System) interface. The top screenshot shows the "Project" setup form with fields for Contract Name, Contract Number, and checkboxes for "Is apprentice utilization required?" and "Is OMWSE utilization required?". The middle screenshot shows the "Project Structure" tree with expand/collapse controls, listing contractors like TUNDRA MECHANIC, KELLY COATINGS INC, and ACME ROOFING INC, with annotations explaining how to select intents or view contractor counts. The bottom screenshot shows the "New Request for Certified Payroll Reports" form, including fields for Contractor Name, Intent ID, and date ranges (From Date and Until Date), with a red arrow pointing to the "Submit Request" button.

# KEY TAKEAWAYS - PWIA

- AUP and bidder's subcontractor's list should accurately inform Intents, Certified Payroll, and Affidavits
- Confirm prior to making any progress payment
- Notify contractors/subcontractors from PWIA if there is inconsistencies so L&I is aware of the issue



# IMPLEMENTING AURS

## Adjusting Apprentice Utilization Percentages

**RCW 39.04.320(2)** grants **public agencies** the authority to adjust apprentice utilization requirements for a **specific project**. The statute outlines several scenarios that may warrant adjustments, including:

- A demonstrated lack of available apprentices in the project area
- A disproportionately high ratio of material costs to labor costs
- The contractor's documented **good faith efforts** to comply with apprentice utilization requirements

**Public agencies can also consider other criteria deemed appropriate**

**Practice Tip:** Contractors/subcontractors are the ones that know, on a project-by-project basis, the scopes, the staffing needed, the schedules and time needed for tasks. They are in the best position to understand a project's staffing need and request adjustment if needed.



# IMPLEMENTING AURS

## Good Faith Efforts (GFEs)

**Good Faith Efforts** or **GFEs** are *documented* efforts made by a contractor/subcontractor to use state-registered apprentices on a public works project.

## What type of documentation?

Most commonly, communication from ***several training programs*** confirming

- No available apprentices
- Scope of training not consistent with the project
- Schedule of the project not conducive to the ratios and timing of the program requirements



# GOOD FAITH EFFORTS AND ADJUSTING AURS

- Contractors the best party to discuss labor hours, scopes, subcontractors, time/schedule, etc. therefore the best party to request an adjustment to apprentice utilization requirements
- Good faith efforts should be *written down and verified* by a subject matter expert and/or an authority having jurisdiction.
- Specifications/Contract Documents should define acceptable good faith efforts and processes to review and accept to avoid “disincentive” or receive an “incentive.”

# IMPLEMENTING AURS

## Incentives

- Incentives are designed to encourage and support contractors in employing apprentices on eligible public works projects.
- Under [RCW 39.04.320\(4\)\(b\)](#), public works contracts must include a specific “line item” for a monetary incentive to be awarded for achieving apprentice utilization requirements.
- Incentives are only provided if apprentice utilization reaches 15%. Monetary incentives are not granted if the utilization percentages are adjusted through good-faith efforts (GFE).

**Current practice: \$1000 – 5000, a few outliers**

*Better practice: provide compensation for the training cost of each apprentice used.*

# IMPLEMENTING AURS

## Penalties (disincentives)

- [RCW 39.04.320\(4\)\(b\)](#) states that there must be a specific “line item” in the public works contract and a [monetary penalty](#) assessed for not meeting apprentice utilization [goals].
- Monetary penalties are NOT assessed if a contractor makes a good faith effort that is accepted by the public agency.



# PENALTIES (DISINCENTIVES)

## Recommended Practice

- Stepped or Tiered: calculation based on utilization not achieved which equals a loss of training opportunity

**Sample language (DES):** the “assessment” will be applied to every hour of short-fall of the minimum required apprentice hours using the applicable *published wage of a step-1 apprentice laborer*. Under no circumstance will the total assessment exceed five percent (5%) of the total contract sum.

## Prevailing Wage Rates

### Look up apprentice rates

[Look up apprentice rates](#) by trade, county and program.

Select County: Chelan Select Trade: Laborers

Effective Date: 5/27/2024

Get Wages Download Wages Journey Level Wages

Benefit Code Key for 5/27/2024

Step 1	Laborer/Central WA	1	1000	\$34.45	15J	11P	8Y
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**Example scenario using sample language:** a 1000 hours of apprentice utilization would be 15% of all labor hours for the project. Only achieved 500 hours and DID NOT attempt any good faith efforts.

**Assessment = 500 x \$34.45 or \$17,225**



## PENALTIES AND DISINCENTIVES

- Best to use a calculation based on hours/percentage not achieved
- Only assessed when no attempts or efforts have been made to use (more) apprentices.
- Best practice to deduct from monies owed on the final payment.



# QUESTIONS



# RESOURCES AND TRAINING

## Resources

1. [MRSC - Digging Into Public Works: Training and Technical Assistance](#)
2. [Apprenticeship Registration & Tracking System \(ARTS\) \(wa.gov\)](#)
3. [Laws, Rules & Policies \(wa.gov\)](#)
4. [Forms/Reference Documents | Department of Enterprise Services \(DES\) \(wa.gov\)](#)

## Upcoming Webinars (MRSC/LNI)

- Good Faith Efforts – January 2025
- Incentives/Penalties – June 2025
- LNI Awarding Agency Training – October 11, Spokane



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*Thank You*

# APPENDIX

## Look Up Apprentice Wage Rates

Apprentices are defined as those workers for whom an apprenticeship agreement has been registered and approved by the state apprenticeship council. Under this law, any “helper” or other type of assistant who is not registered with the Washington State Apprenticeship and Training Council (WSATC) is to be considered a fully qualified journey level worker and must be paid the full journey-level wage. Workers registered with the WSATC are entitled to the prevailing wage rates for an apprentice of that trade.

**Important Note about Rates:** Choosing correct worker classifications depends upon *determinations* published by L&I. [Review our Determinations.](#)

Look up Prevailing Wage rates with effective dates as far back as March 4, 1998.

⊕ Which rates (effective date) should you select?

⊕ When are Prevailing Wage rates updated?

Select County

Adams

Select Trade

Asbestos Abatement Workers

Effective Date: 10/9/2023

Get Wages

[Journey Level Wages](#)

**Practice Tip:** Like journey level rates, you don't know what apprentice trades will be part of the project, so it is best to download each trade. You can't **select all** in this look up.

## Look up journey level rates

[Look up journey level rates](#) for multiple trades in multiple counties.

## Look up apprentice rates

[Look up apprentice rates](#) by trade, county and program.

Select County

Thurston

Select Trade

Brick Mason

Effective Date: 10/9/2023

Get Wages

Download Wages

[Journey Level Wages](#)

[Benefit Code Key for 10/9/2023](#)

Step	Occupation	Begin Hours	End Hours	Apprentice Wage	Holiday	Overtime	Note
Step 1	Brick Layer	1	750	\$44.47	7E	1N	
Step 2	Brick Layer	751	2250	\$47.01	7E	1N	
Step 3	Brick Layer	2251	3000	\$49.55	7E	1N	
Step 4	Brick Layer	3001	3750	\$52.09	7E	1N	

# APPENDIX

**Affidavit** is a document/form that contractors and subcontractors must file after completing a public works project or a contract that pays prevailing wage. The affidavit states the work done, the total hours worked by employee/worker, and the wages paid.

**Apprentice-able Occupation** means a trade or work category for which a state-approved training program is, or can be, developed.

**Apprentice** means an apprentice enrolled in a *state-approved apprenticeship training program*.

**Apprentice Utilization Plan** is a plan submitted by a prospective bidder specifically detailing verifiable efforts to meet the apprenticeship utilization requirements [on a public works project]. RCW 39.04.310.

**APWA** is the American Public Works Association.

**Apprentice Utilization Requirement** or **AUR** is the requirement that the appropriate percentage of labor hours be performed by registered apprentices in state-approved construction training program.

**ART(s)** is the L&I apprentice registration and tracking system

**Awarding Agency (AA)** is the same as *municipality*, public agency or similar, the label that is given to any public agency that has public works contracting authority and who has awarded a public works contract. The term is used by L&I.

# APPENDIX

**Bidder Responsibility Criteria** is the criteria listed in RCW 39.04.350 and is the minimum requirements a contractor/subcontractor must have to bid and/or be awarded a public works contract.

**Bidder's Subcontractor List** is a list of subcontractors the bidder will direct contract with on the project to perform any electrical, plumbing, HVAC, structural steel installation, and rebar installation as required by [RCW 39.30.060](#).

**Certified Payroll** is a report filed in PWIA detailing weekly prevailing wage payments to hourly workers which is electronically signed and verified by the contractor/subcontractor responsible for paying. Certified Payroll must be loaded into PWIA at least once a month for the duration of a public works project.

**DES** means the Washington Department of Enterprise Services.

**Estimated Cost, Estimated to Cost, or Project Estimate** is the dollar value a public agency expects a public works contract to cost that is used to determine the bid threshold and is advertised.

**Good Faith Effort** or **GFE** is documented efforts made by a contractor/subcontractor to use state-registered apprentices on a public works project.

# APPENDIX

**GSP** means a *general special provision* and modifier to the Washington State Department of Transportation's Standard Specifications Division 1.

**Intent** is a document that contractors and subcontractors must file with L&I before starting work on a public works projects or a contract that pays prevailing wage. The Intent includes information about the project, such as the prevailing wage for each trade and the effective date of the contract. Contractors must file the Intent immediately after the contract is awarded and have it approved by the L&I Industrial Statistician before receiving their first payment.

**Labor Hours** are all the hours worked by journey level and apprentice workers on a public works project. RCW 39.04.310(4)

**LAG (manual)** is the Local Agency Guidelines published by WSDOT to guide USDOT funded projects.

**L&I** is the Washington Department of Labor & Industries

**Municipality** is any local government or public agency as defined in RCW 39.04.010.

**PWIA** is the L&I prevailing wage intents and affidavits "portal" both AA and contractor facing.

**Registered Training Agent** is a contractor/employer that has been approved by L&I to oversee apprentices.

**WSATC** is the Washington State Apprenticeship Training Council

**WSDOT** is the Washington State Department of Transportation