



## Oppose SB1305 (McPike)

### Public works contracts; subcontractor workforce requirements

Action is needed before Monday, February 1

VML urges our members to contact senators to **oppose [SB1305 \(McPike\)](#)** which would require public bodies to include in every public works contract of more than \$500,000 the following:

- Contractor must use subcontractors that certify in writing to the contractor that they will not outsource more than 10 percent of the cost of the work (excluding provision of materials).
  - There is an exception if the subcontractor submits to contractor in writing a request to exceed the outsource limit.
- The contractor must then approve or deny if there is work of a specialized nature that cannot be performed by the subcontractor.
- This decision must be communicated to the public body and reviewed for compliance with this code section.
- The public body may exercise the appropriate contract terms and conditions to enforce the outsource requirements.

### Concerns / Talking Points

- Local procurement officials will have to spend time reviewing requests any time a contractor decides not to use his own personnel and then spend additional time enforcing the contract.
- Public projects will take longer to complete and cost more money (i.e., By restricting a subcontractor's ability to subcontract more than 10 percent of the work, general contractors will have to spend more time and resources managing and coordinating directly with a variety of subcontractors).
- Hampers the ability of localities to use Small, Woman-owned, and Minority Owned businesses because many of them are subcontractors with specific skills.
- Leaves unaddressed the question as to how a public body will "review the contractor's decision" to request a waiver; is there a standard for the review?
- Raises the cost of local construction projects.
- Unduly burdens localities by making them the "subcontractor police" – adds onerous requirements and restrictions without addressing the few bad actors.
- Construction contracts will have to be amended to include language that addresses subcontractors and the ability to enforce.

### Status

On January 27, the bill was reported out of the Senate Finance and Appropriations Committee on a 9-6 vote.

### Action

Please **[contact all your Senators](#)** to OPPOSE before Monday!