



STATE OF WASHINGTON
DEPARTMENT OF LABOR AND INDUSTRIES
Prevailing Wage
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360/902-5335 Fax 360/902-5300

August 15, 2012

Steve Dean, Vice President
Vigor Industrial, LLC
2730 Federal Avenue
Everett, Washington 98201

Re: Request for a Shipbuilding and Ship Repair Pipefitters Worker Classification and Rate for Snohomish County

Dear Mr. Dean:

On behalf of Vigor Marine (Vigor), you previously asked L&I to retroactively recognize the sub-classification for Shipbuilding and Ship Repair (SBSR)/Pipefitter in Snohomish County. I am writing this letter as a follow-up to my letter dated July 31, 2012. Since I issued my determination, I have been provided additional information to review concerning the prevailing wage rate for Shipbuilding and Ship Repair (SBSR)/Pipefitter work in Snohomish County.

For background: We set wage rates on the basis of surveys. When we publish the rates following a survey, if the rate that "prevails" is a union collectively bargained rate, we publish the various sub-classifications within the scope of work as established by the applicable collective bargaining agreement (CBA). The result of this approach as to setting rates for SBSR/Pipefitter work is that for some counties where the rate was established by CBA, a sub-classification specifically for SBSR/Pipefitter is included, and for other counties, there is no specific SBSR/Pipefitter sub-classification identified.

In my July 31st determination, I agreed to add the SBSR/Pipefitter sub-classification prospectively. I did so relying on the CBA between Vigor Marine and the Boilermakers Local No. 104 and the Vigor-Boilermakers Local 104-UA (Plumbers) Local 26 Memorandum of Agreement (MOA). However, it is not the Vigor CBA but the CBA between Everett Shipyards, Inc. and Boilermakers Local No. 104 that controls several of the SBSR sub-classifications currently applicable in Snohomish County. For that reason, the provisions in the Vigor-Boilermakers CBA and the Vigor-Boilermakers-UA Local 26 MOA are not controlling.

In reviewing the Vigor-Boilermakers CBA, it appears that there is no sub-classification for SBSR/Pipefitter in the Everett-Boilermakers CBA that prevailed in Snohomish County and there is no MOA with the Plumbers addressing the sub-classification. For

that reason, I need to rescind and change my July 31, 2012 determination. We cannot at this time add the requested SBSR/Pipefitter sub-classification to the Snohomish County prevailing wage rates. However, that does not preclude us from determining an appropriate wage rate for the SBSR/Pipefitter work at issue.

For certain worker classifications with multiple sub-classifications, such as Power Equipment Operators and Shipbuilding and Ship Repair, where there are multiple sub-classifications with multiple rates based on a CBA, we find that not all counties with multiple sub-classifications have identical sub-classifications. It has been L&I policy that in very limited situations, mostly dealing with the trade of Power Equipment Operators, L&I has applied a "wage band" approach to determining a prevailing wage rate for a sub-classification where there is no published rate for that specific sub-classification for that county. Sometimes, a county may have eight or nine sub-classifications for the same trade, while a neighboring county may have only six or so classifications, both county rates based on CBAs. When that occurs, we may correlate the wage rates, depending on the work performed, to utilize a wage rate for the county with a "missing" sub-classification.

For instance, we recently told a contractor to use the rate for "Power Equipment Operator (PEO)/Motor Patrol Graders, Finishing" for vacuum/vactor truck operation because the county in which the work was performed had no specific published sub-classification for PEO/Vactor Guzzler. *See* [L&I Prevailing Wage Determination #0972011](#). There, the work to operate the Vactor was work of the same type and nature as the work of the Power Equipment Operator, but the specific wage sub-classification was not identified in our wage publication for that county. To provide the correct guidance, we matched the work to the applicable wage band by looking at other counties' bands (or groupings of) wage sub-classifications. We then provided direction to use a comparable wage sub-classification in the correct wage band for the county in which the work was performed.

In much the same way, although there is a SBSR/Shipfitter sub-classification and wage rate for Snohomish County, there is no SBSR/Pipefitter sub-classification and wage rate. However, neighboring King County has both SBSR/Shipfitter and SBSR/Pipefitter sub-classifications and wage rates. The current wage rates for these two sub-classifications are the same, \$36.16. When we look at Pierce County, we find a similar situation; both the SBSR/Shipfitter and SBSR/Pipefitter sub-classifications have the same wage rates. Please see the attached table setting forth the various SBSR rates currently effective for King, Pierce and Snohomish Counties.

Based on a review of the wage bands used in King and Pierce County for the prevailing wage rates set forth on the attached table, it appears that negotiators of the CBAs that prevailed in King and Pierce counties agreed that SBSR/Pipefitters and SBSR/Shipfitters perform work requiring a similar skill level and applied the same wage rate to both those sub-classifications. For that reason, it would appear that for Snohomish County it is appropriate to apply the SBSR/Shipfitter wage rate to SBSR/Pipefitters work. The current wage rate would be the Snohomish County

SBSR/Shipfitter \$33.96 wage rate. That wage rate is within the appropriate band for the performance of such work in Snohomish County.

In light of the information provided and my review of the King and Pierce County prevailing wage rates for SBSR/Pipefitter, I believe it is appropriate to extend the pay band approach to this situation. If, at a later date, the SBSR/Pipefitter sub-classification and a corresponding wage rate are added to the Snohomish County prevailed CBA, we will upon request add them to the Snohomish County wage rates.

In the interim, companies may list SBSR/Shipfitter and the corresponding wage rate for SBSR/Pipefitter work performed in Snohomish County on Statement of Intent to Pay Prevailing Wages and Affidavit of Wages Paid forms filed with the L&I. Hours paid at the SBSR/Shipfitter rate for SBSR/Pipefitter work and those hours paid at the SBSR/Shipfitter wage rate attributable to actual SBSR/Shipfitter work should be listed separately. Companies using this approach must provide an explanation in the "notes" section of the forms indicating which hours listed as SBSR/Shipfitter were for SBSR/Pipefitter work. In permitting this band adoption of the SBSR/Shipfitter rate for this work, we are not stating that the work is the same, only that there is an apparent skill level correlation for each type of work that permits application of the same wage rate.

Based on this determination, companies may apply the Snohomish County SBSR/Shipfitter wage rate to the SBSR/Pipefitter work to the several contracts, "major overhaul of Chief Seattle fireboat," "dockside preservation, MV Walla Walla," and "SSOV subcontract, 144-car ferry new build" listed in your June 25, 2012 request letter. Please note that for each of these contracts and for any other contracts that may involve SBSR/Pipefitter work performed in Snohomish County, companies will need to apply the wage rate that is consistent with the bid due date. For instance:

- SBSR/Pipefitter work performed in connection with the major overhaul of Chief Seattle fireboat, with a bid due date of 9/2/2011, would be paid at the \$32.25 SBSR/Shipfitter wage rate.
- SBSR/Pipefitter work performed in connection with the dockside preservation of MV Walla Walla, with a bid due date of 6/14/2012, would be paid at the \$33.96 SBSR/Shipfitter wage rate.
- SBSR/Pipefitter work performed in connection with the 144-car ferry new build, with a bid due date of 11/1/2011, would be paid at the \$32.25 SBSR/Shipfitter wage rate.

Determinations of the prevailing rate of wage are made by the industrial statistician of the Department of Labor & Industries (L&I). See the attached document, "*Prevailing Wage Determination Request and Review Process.*"

This determination regarding Snohomish County SBSR/Pipefitter rates is limited to that specific issue. Any request to apply a band rate approach to any other worker classification or sub-classification must be directed to the L&I industrial statistician.

Steve Dean
August 15, 2012
Page 4 of 4

This decision is based on the specific facts presented. If those facts change or are different from as stated, the conclusion may be different. If you have questions, or if I can be of further assistance, please let me know.

Sincerely,



L. Ann Selover
Industrial Statistician
Program Manager
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(360) 902-5330

Attachments (2)

cc: Judy Schurke, Director
Ernie LaPalm, Deputy Director for Field Operations
José Rodriguez, Assistant Director for Specialty Compliance Services
Brenda Belcher, City of Seattle, Purchasing and Contracting Services

State of Washington
 Department of Labor & Industries
 Prevailing Wage Section - Telephone 360-902-5335
 PO Box 44540, Olympia, WA 98504-4540

Washington State Prevailing Wage

The PREVAILING WAGES listed here include both the hourly wage rate and the hourly rate of fringe benefits. On public works projects, worker's wage and benefit rates must add to not less than this total. A brief description of overtime calculation requirements are provided on the Benefit Code Key.

Journey Level Prevailing Wage Rates for the Effective Date: 8/13/2012

County	Trade	Job Classification	Wage	Holiday	Overtime	Note
King	Shipbuilding & Ship Repair	Boilermaker	\$35.83	7M	1H	
King	Shipbuilding & Ship Repair	Carpenter	\$36.62	7O	3B	
King	Shipbuilding & Ship Repair	Electrician	\$36.23	7O	3B	
King	Shipbuilding & Ship Repair	Heat & Frost Insulator	\$55.68	5J	1S	
King	Shipbuilding & Ship Repair	Laborer	\$34.82	7O	3B	
King	Shipbuilding & Ship Repair	Machinist	\$36.19	7O	3B	
King	Shipbuilding & Ship Repair	Operator	\$38.58	7O	3B	
King	Shipbuilding & Ship Repair	Painter	\$36.21	7O	3B	
King	Shipbuilding & Ship Repair	Pipefitter	\$36.16	7O	3B	
King	Shipbuilding & Ship Repair	Rigger	\$36.16	7O	3B	
King	Shipbuilding & Ship Repair	Sandblaster	\$35.17	7O	3B	
King	Shipbuilding & Ship Repair	Sheet Metal	\$36.14	7O	3B	
King	Shipbuilding & Ship Repair	Shipfitter	\$36.16	7O	3B	
King	Shipbuilding & Ship Repair	Trucker	\$36.00	7O	3B	
King	Shipbuilding & Ship Repair	Warehouse	\$36.06	7O	3B	
King	Shipbuilding & Ship Repair	Welder/Burner	\$36.16	7O	3B	
Pierce	Shipbuilding & Ship Repair	Boilermaker	\$35.83	7M	1H	
Pierce	Shipbuilding & Ship Repair	Carpenter	\$33.71	6E	1B	
Pierce	Shipbuilding & Ship Repair	Electrician	\$33.71	6E	1B	
Pierce	Shipbuilding & Ship Repair	Heat & Frost Insulator	\$55.68	5J	1S	
Pierce	Shipbuilding & Ship Repair	Laborer	\$19.10		1	
Pierce	Shipbuilding & Ship Repair	Machinist	\$33.71	6E	1B	
Pierce	Shipbuilding & Ship Repair	Operator	\$33.71	6E	1B	
Pierce	Shipbuilding & Ship Repair	Painter	\$35.42	6A	1R	
Pierce	Shipbuilding & Ship Repair	Pipefitter	\$33.71	6E	1B	
Pierce	Shipbuilding & Ship Repair	Rigger	\$15.77		1	
Pierce	Shipbuilding & Ship Repair	Sandblaster	\$35.42	6A	1R	
Pierce	Shipbuilding & Ship Repair	SHEET METAL	\$35.83		1	

Pierce	Shipbuilding & Ship Repair	Shipfitter	\$33.71	6E	1B	
Pierce	Shipbuilding & Ship Repair	Trucker	\$15.75		1	
Pierce	Shipbuilding & Ship Repair	Warehouse	\$13.75		1	
Pierce	Shipbuilding & Ship Repair	Welder/burner	\$33.71	6E	1B	
Snohomish	Shipbuilding & Ship Repair	Boilermaker	\$35.83	7M	1H	
Snohomish	Shipbuilding & Ship Repair	Carpenter	\$33.93	5T	1L	
Snohomish	Shipbuilding & Ship Repair	Electrician	\$33.96	5T	1L	
Snohomish	Shipbuilding & Ship Repair	Heat & Frost Insulator	\$55.68	5J	1S	
Snohomish	Shipbuilding & Ship Repair	Laborer	\$25.35	5T	1L	
Snohomish	Shipbuilding & Ship Repair	Machinist	\$33.96	5T	1L	
Snohomish	Shipbuilding & Ship Repair	Painter	\$35.72	6Z	2B	
Snohomish	Shipbuilding & Ship Repair	Shipfitter	\$33.96	5T	1L	
Snohomish	Shipbuilding & Ship Repair	Welder/Burner	\$33.96	5T	1L	

Prevailing Wage Determination Request and Review Process

RCW 39.12.015 is the basis for requesting a determination, since it provides:

All determinations of the prevailing rate of wage shall be made by the industrial statistician of the department of labor and industries.

If you disagree with a determination the industrial statistician provides, WAC 296-127-060(3) provides for a review process:

(3) Any party in interest who is seeking a modification or other change in a wage determination under RCW [39.12.015](#), and who has requested the industrial statistician to make such modification or other change and the request has been denied, after appropriate reconsideration by the assistant director shall have a right to petition for arbitration of the determination.

(a) For purpose of this section, the term "party in interest" is considered to include, without limitation:

(i) Any contractor, or an association representing a contractor, who is likely to seek or to work under a contract containing a particular wage determination, or any worker, laborer or mechanic, or any council of unions or any labor organization which represents a laborer or mechanic who is likely to be employed or to seek employment under a contract containing a particular wage determination, and

(ii) Any public agency concerned with the administration of a proposed contract or a contract containing a particular wage determination issued pursuant to chapter [39.12](#) RCW.

(b) For good cause shown, the director may permit any party in interest to intervene or otherwise participate in any proceeding held by the director. A petition to intervene or otherwise participate shall be in writing, and shall state with precision and particularity:

(i) The petitioner's relationship to the matters involved in the proceedings, and

(ii) The nature of the presentation which he would make. Copies of the petition shall be served on all parties or interested persons known to be participating in the proceeding, who may respond to the petition. Appropriate service shall be made of any response.