

**STATE CONSTRUCTION CONTRACTS AND
DRUG AND ALCOHOL TESTING**

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen Mayne

House Sponsor: Melvin R. Brown

LONG TITLE

Committee Note:

The Business and Labor Interim Committee recommended this bill.

General Description:

This bill modifies the Utah Procurement Code to address requirements for random drug and alcohol testing for state construction contracts.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires that a state construction contract impose requirements related to drug and alcohol testing;
- ▶ addresses penalties;
- ▶ clarifies that monitoring activities are not required of the state;
- ▶ provides that the state is not liable in actions related to drug and alcohol testing;
- ▶ provides exemptions; and
- ▶ and addresses scope of provision.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2010.



28 **Utah Code Sections Affected:**

29 ENACTS:

30 **63G-6-604**, Utah Code Annotated 1953



32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **63G-6-604** is enacted to read:

34 **63G-6-604. Drug and alcohol testing required for state construction contracts.**

35 (1) As used in this section:

36 (a) "Contractor" means a person who is or may be awarded a state construction
37 contract.

38 (b) "Covered individual" means an individual who:

39 (i) on behalf of a contractor or subcontractor provides services directly related to
40 design or construction under a state construction contract; and

41 (ii) is in a safety sensitive position, including a design position that has responsibilities
42 that directly affect the safety of an improvement to real property that is the subject of a state
43 construction contract.

44 (c) "Drug and alcohol testing policy" means a policy under which a contractor or
45 subcontractor tests a covered individual to establish, maintain, or enforce the prohibition of:

46 (i) the manufacture, distribution, dispensing, possession, or use of drugs or alcohol,
47 except the medically prescribed possession and use of a drug; or

48 (ii) the impairment of judgment or physical abilities due to the use of drugs or alcohol.

49 (d) "Random testing" means that a covered individual is subject to periodic testing for
50 drugs and alcohol:

51 (i) in accordance with a drug and alcohol testing policy; and

52 (ii) on the basis of a random selection process.

53 (e) For purposes of Subsection (6), "state" includes any of the following of the state:

54 (i) a department;

55 (ii) a division;

56 (iii) an agency;

57 (iv) a board;

58 (v) a commission;

59 (vi) a council;
60 (vii) a committee; and
61 (viii) an institution, including a state institution of higher education, as defined under
62 Section 53B-3-102.

63 (f) "State construction contract" means a contract for design or construction entered
64 into by a state public procurement unit.

65 (g) (i) "Subcontractor" means a person under contract with a contractor or another
66 subcontractor to provide services or labor for design or construction.

67 (ii) "Subcontractor" includes a trade contractor or specialty contractor.

68 (iii) "Subcontractor" does not include a supplier who provides only materials,
69 equipment, or supplies to a contractor or subcontractor.

70 (2) Except as provided in Subsection (7), on and after July 1, 2010, a state public
71 procurement unit may not enter into a state construction contract unless the state construction
72 contract requires the following:

73 (a) A contractor shall demonstrate to the state public procurement unit that the
74 contractor:

75 (i) has and will maintain a drug and alcohol testing policy during the period of the state
76 construction contract that applies to the covered individuals hired by the contractor;

77 (ii) posts in one or more conspicuous places notice to covered individuals hired by the
78 contractor that the contractor has the drug and alcohol testing policy described in Subsection
79 (2)(a)(i); and

80 (iii) subjects the covered individuals to random testing under the drug and alcohol
81 testing policy described in Subsection (2)(a)(i) if at any time during the period of the state
82 construction contract there are 10 or more individuals who are covered individuals hired by the
83 contractor.

84 (b) A contractor shall demonstrate to the state public procurement unit that the
85 contractor requires that as a condition of contracting with the contractor, a subcontractor:

86 (i) has and will maintain a drug and alcohol testing policy during the period of the state
87 construction contract that applies to the covered individuals hired by the subcontractor;

88 (ii) posts in one or more conspicuous places notice to covered individuals hired by the
89 subcontractor that the subcontractor has the drug and alcohol testing policy described in

90 Subsection (2)(b)(i); and

91 (iii) subjects the covered individuals hired by the subcontractor to random testing under
92 the drug and alcohol testing policy described in Subsection (2)(b)(i) if at any time during the
93 period of the state construction contract there are 10 or more individuals who are covered
94 individuals hired by the subcontractor.

95 (3) (a) Except as otherwise provided in this Subsection (3), if a contractor or
96 subcontractor fails to comply with Subsection (2), the contractor or subcontractor may be
97 suspended or debarred in accordance with this chapter.

98 (b) On and after July 1, 2010, a state public procurement unit shall include in a state
99 construction contract:

100 (i) a reference to the rules described in Subsection (4)(b); or

101 (ii) if the state public procurement unit has not made the rules described in Subsection
102 (4)(b), a process that provides a contractor or subcontractor reasonable notice and opportunity
103 to cure a violation of this section before suspension or debarment of the contractor or
104 subcontractor in light of the circumstances of the state construction contract or the violation.

105 (c) (i) A contractor is not subject to penalties for the failure of a subcontractor to
106 comply with Subsection (2).

107 (ii) A subcontractor is not subject to penalties for the failure of a contractor to comply
108 with Subsection (2).

109 (4) If otherwise authorized to make rules, in accordance with Title 63G, Chapter 3,
110 Utah Administrative Rulemaking Act, a state public procurement unit:

111 (a) may make rules that establish the requirements and procedures a contractor shall
112 follow to comply with Subsection (2); and

113 (b) shall make rules that establish:

114 (i) the penalties that may be imposed in accordance with Subsection (3); and

115 (ii) a process that provides a contractor or subcontractor reasonable notice and
116 opportunity to cure a violation of this section before suspension or debarment of the contractor
117 or subcontractor in light of the circumstances of the state construction contract or the violation.

118 (5) The failure of a contractor or subcontractor to meet the requirements of Subsection
119 (2):

120 (a) may not be the basis for a protest or other action from a prospective bidder, offeror,

121 or contractor under Part 8, Legal and Contractual Remedies; and

122 (b) may not be used by a state public procurement unit, a prospective bidder, an
123 offeror, a contractor, or a subcontractor as a basis for an action that would suspend, disrupt, or
124 terminate the design or construction under a state construction contract.

125 (6) (a) After a state public procurement unit enters into a state construction contract in
126 compliance with this section, the state is not required to audit, monitor, or take any other action
127 to ensure compliance with this section.

128 (b) The state is not liable in any action related to this section, including not being liable
129 in relation to:

130 (i) a contractor or subcontractor having or not having a drug and alcohol testing policy;

131 (ii) failure to test for a drug or alcohol under a contractor's or subcontractor's drug and
132 alcohol testing policy;

133 (iii) the requirements of a contractor's or subcontractor's drug and alcohol testing
134 policy;

135 (iv) a contractor's or subcontractor's implementation of a drug and alcohol testing
136 policy, including procedures for:

137 (A) collection of a sample;

138 (B) testing of a sample;

139 (C) evaluation of a test; or

140 (D) disciplinary or rehabilitative action on the basis of a test result;

141 (v) an individual being under the influence of drugs or alcohol; or

142 (vi) an individual under the influence of drugs or alcohol harming another person or
143 causing property damage.

144 (7) This section does not apply if the state public procurement unit determines that the
145 application of this section would severely disrupt the operation of a state agency to the
146 detriment of the state agency or the general public, including:

147 (a) jeopardizing the receipt of federal funds;

148 (b) the state construction contract being a sole source contract; or

149 (c) the state construction contract being an emergency procurement.

150 (8) If a contractor or subcontractor meets the requirements of this section, this section
151 may not be construed to restrict the contractor's or subcontractor's ability to impose or

152 implement an otherwise lawful provision as part of a drug and alcohol testing policy.

153 Section 2. **Effective date.**

154 This bill takes effect on July 1, 2010.

Legislative Review Note
as of 11-18-09 3:05 PM

Office of Legislative Research and General Counsel

S.B. 13 - State Construction Contracts and Drug and Alcohol Testing

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations. Contractors not already providing drug and alcohol tests required by this bill may pass on the costs of administering those tests to state construction projects. The impact at this time cannot be quantified.

Individual, Business and/or Local Impact

Businesses contracting with the State for construction projects that do not currently administer drug and alcohol tests required by this bill may incur additional costs. Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments.
