



**STATE OF WASHINGTON**  
**Capital Projects Advisory Review Board**

# *Local Government Public Works Contracting Study– CPARB Update*

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August 27, 2020



# Agenda



APPROVAL OF MINUTES



POTENTIAL  
RECOMMENDATION REVIEW



VOTE ON  
RECOMMENDATIONS

# Participation Ask

- **Need:** Committee to discuss important themes from the survey
- **Time commitment:** Five two-hour meetings over the period from May 2020 to September 2020

May 28th



RAISING  
THRESHOLDS

June 25th



CREATING  
UNIFORMITY FOR  
THRESHOLDS

July 23rd



SMALL BUSINESS  
INCLUSION

August 6th



MINORITY AND  
WOMEN OWNED  
INCLUSION

August 27th



WRAP UP



# Approval Timeline

- **August 27th:** Final committee meeting
- **September 10th:** Presentation to CPARB Board
- **September 24th:** Interview Feedback webinar
- **October CPARB Board Meeting:** Approval of recommendations
- **December CPARB Board Meeting:** Final report approval

# Voting Members

- **Andrew Thompson** – Granite Construction (General Contractors)
- **Chris Herman** – WPPA
- **Jane Wall** – WSAC
- **Jolene Skinner** – L&I
- **Karen Mooseker** – Mukilteo School District
- **Keith Michael** – Forma Construction (General Contractors)
- **Kristin Hall** – Snohomish PUD
- **Michael Transue** – MCA



# Public Works Committee Purpose



- To review the public works contracting processes for local governments, including the small works roster and limited public works processes, and create recommendations for efficiency to be presented to the CPARB Board.
- This review will include the following:
  - Most common contracting procedures
  - Current public works contracting thresholds
  - Analysis of applying an inflation-based indicator and other potential threshold adjustments
  - Recommendations to increase uniformity and efficiency for local government public works contracting
  - Rates of participation for small and minority-and-women owned businesses and barriers to improving the participation rate

01

Identifying and  
expressing interest  
in opportunities

02

Adjusting  
requirements to  
participate in  
opportunities

03

Outreach and  
Education

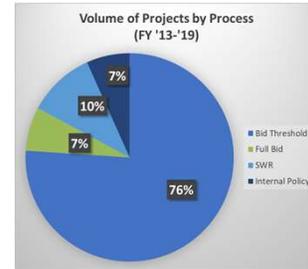
# Prior discussion

- Barriers exist that impact diverse business participation in Public Works\*
  - No specific callout in statute promoting access for diverse business
  - Opinion that recommendations should focus on barriers related to uniformity and thresholds
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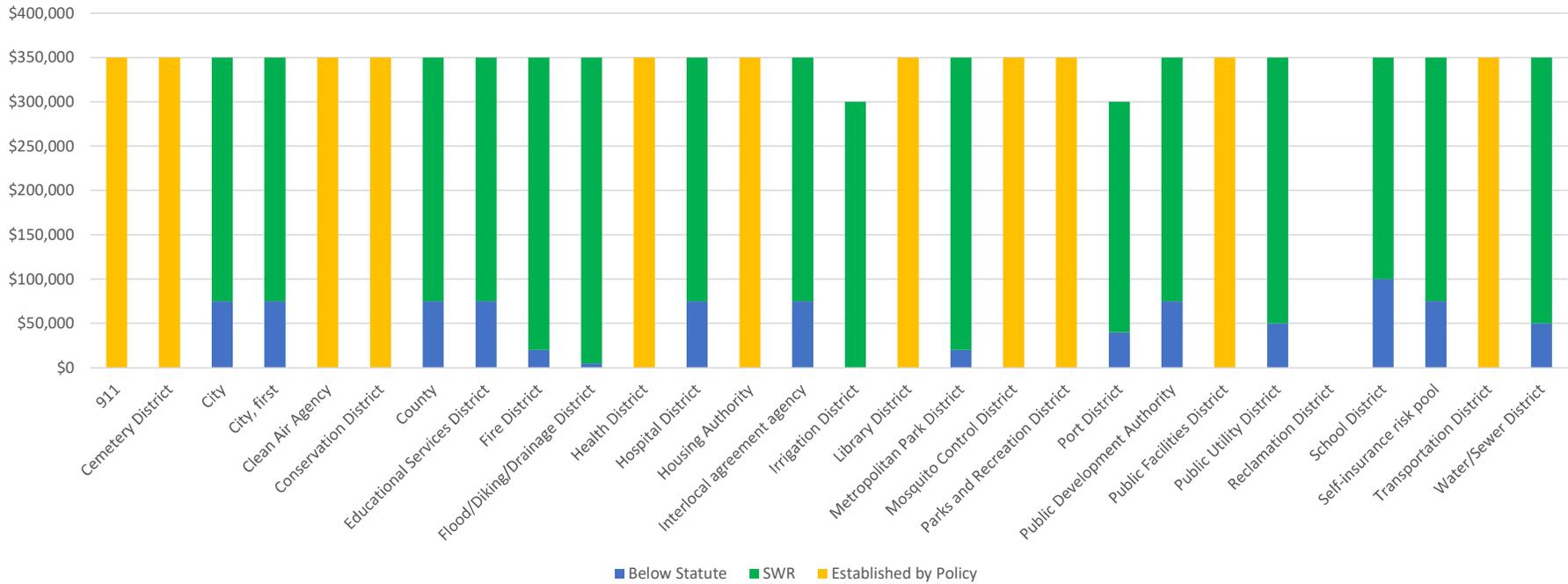
# Potential Recommendations

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# Current Expedited Process Structure



Expedited Process Allowance by Government Type



# Uniformity Discussion Points

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- Increase Irrigation and Port District Small Works Roster Threshold to \$350K
- Implement state-wide inflation factor based on CCI at given intervals
- Expand authorization for no-bid process to all agencies (currently only code cities)
- Allow all counties access to unit price contracting
  - Expand access beyond those with purchasing departments
  - Potential for all local governments to access rather than doling out in agency specific statutes





## Uniformity future studies:

- Below statute uniformity logic
- Adding a new government type
  - What should the structure be? Is this a concern?
- Impact of a master statute
- Consolidate county thresholds
  - There are four different statutes for different county organizational structures



## Efficiency Discussion Points

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- Eliminate retainage and bond requirements for projects under \$5K
- Create consolidated list of Rosters available statewide
- Create list of certification/registration programs for disadvantaged businesses



## Efficiency future studies:

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- Increase to base SWR threshold amount
  - Make business case with uniformity considerations
- Evaluate advertisement requirements for formal competitive bids (i.e. Newspapers vs. other forms)
- Review impact of centralized statewide Roster
- Determine potential program for sub-contractors to express interest in projects
- Evaluate possibilities for electronic solicitations for all competitive bidding (not authorized in statute outside of SWR)
- Expand data collection efforts by L&I (contract types) and OMWBE (participation rates) through a sustained funding model
- Identify how state and OMWBE studies relate to local government

# Outreach and Education Discussion Points

- Define Small Business in Local Government statute
- CPARB update to supplemental bidder responsibility guidelines
- Uniform schedule for significant outreach events between public agencies and other stakeholders
- Provide professional assistance to local government for
  - Contracting guidance
  - Marketing and outreach to contractors



# Outside of scope but of relevance

- Prevailing wage over \$50K – Outside of scope, union impact
- Streamline paperwork – focused on evaluating the processes that drive the paperwork
- Need more bidders in SWR pool – Central roster list may aid in registration, no bid process (does this get used as a crutch?)
- Not correct category on Roster – Roster management so outside of scope
- Sort by location/region – Prequalifies contractors so not allowed
- Transparency of submittals – Agencies need to provide bid responses when asked in Public Records request (2019 legislation)
  - Is this an ask for consolidated statistics?
- Faster payment/retainage release – Outside of scope, agency specific issues, already rules in place to encourage speed
- Travel incentives – Address in contract not through government subsidy
- Limited public works threshold is \$50K, part of SWR statute

Discussion



# Appendix

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# Defining Thresholds

- Two primary public works thresholds
  - Bid Threshold
  - SWR
- Take a variety of forms across agency types

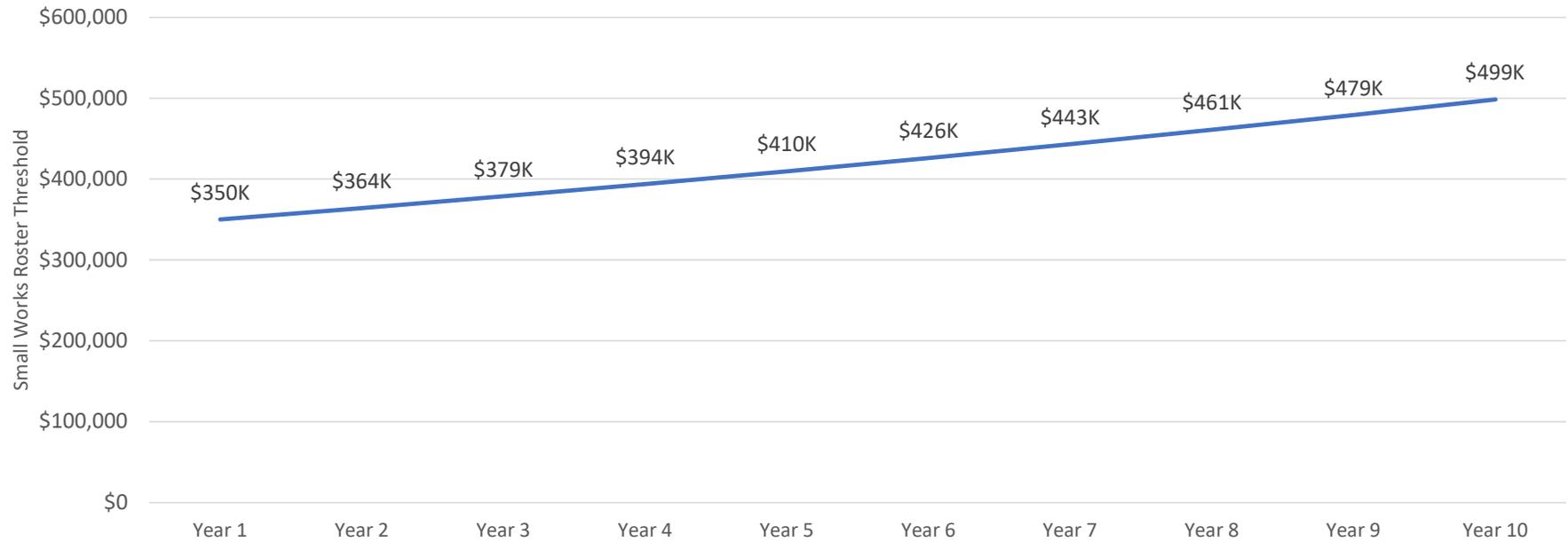
Government Type	Bid Threshold	Small Works Roster Threshold	Applicable RCW	Limits for Work by Agency Employees
Area Agency on Aging	Subject to state bid requirements of RCW 43.19		74.38.050	Follows state requirements of RCW 43.19
City, first class	\$75,500 (1 craft) \$150,000 (>1 craft)	\$350,000	35.22.620	Per project: \$75,500 (1 trade), \$150,000 (>1 trade). NTE 10% of public works budget.
City, second class and towns city code	\$75,500 (1 craft) \$116,155 (>1 craft)	\$350,000	35.23.352 35A.40.210	Per project: \$75,500 (1 trade), \$116,155 (>1 trade). NTE 10% of public works budget.
Conservation district	None; established by policy		89.08	No statutory limits - set by policy
County, population >400k with purchasing department	\$0	\$350,000	36.32.235	Per project: \$45,000 or \$125k for Riverine or stormwater project (1 trade), \$90,000 or \$250k for Riverine or stormwater project (>1 trade). NTE 10% of public works budget.
County, population <400,000 with purchasing department	\$0	\$350,000	36.32.240 36.32.235	Per project: \$45,000 or \$125k for Riverine or stormwater project (1 trade), \$90,000 or \$250k for Riverine or stormwater project (>1 trade). NTE 10% of public works budget.
County without purchasing department	\$40,000	\$350,000	36.32.250	Allowed for non-road projects; road project limits set according to population and motor vehicle fuel tax factor
Educational service district (ESD)	None; established by policy (unless contracting on behalf of a school district, in which case school district bid laws apply)		28A.310	Most restrictive of establishing jurisdiction; if NA then by policy
Fire district	\$20,000	\$350,000	52.14.110	Not authorized
Flood/diking/drainage district	\$5,000	\$350,000	85.38.190	\$5,000
Health district	None; established by policy		70.46	No statutory limits - set by policy
Hospital district	\$75,000	\$350,000	70.44.140	\$75,000
Housing authority	None; established by policy		35.82; AGO 2009 No. 2	No statutory limits - set by policy

Government Type	Bid Threshold	Small Works Roster Threshold	Applicable RCW	Limits for Work by Agency Employees
Interlocal agreement agency	Most restrictive of establishing jurisdiction		39.34	Most restrictive of establishing jurisdiction
Irrigation district	\$0	\$300,000	87.03.435-436	No limit; must bid materials used by employees; must follow public works bid process when materials unless provided by contractor
Library district	None; established by policy		27.12	Most restrictive of establishing jurisdiction; if NA then by policy
Mosquito control district	None; established by policy		17.28	No statutory limits - set by policy
Park and recreation district	None; established by policy		36.69	Most restrictive of establishing jurisdiction; if NA then by policy
Metropolitan parks district	\$20,000	\$350,000	35.61135	\$20,000
Port district	\$40,000	\$300,000	53.08.120	Allowed for all projects, except when over \$40k, must make a determination whether cost is lower performed by contract
Public development authority (PDA)	Statutes of creating city or county		35.21.730	Statutes of creating city or county
Public facilities district (PFD)	None; established by policy		36.100.030 35.57.020	No statutory limits - set by policy
Public utility district (PUD)	\$50,000	\$350,000	54.04.070	\$300,000
Reclamation district (over 1 million acres)	All public works must be formally bid		89.30.154	Not authorized
Regional support network (RSN)	Statutes of creating county		71.24.300	Statutes of creating county
School district	\$100,000	\$350,000	28A.335.190	\$75,000
Self-insurance risk pool	Most restrictive of establishing jurisdiction		48.62	Most restrictive of establishing jurisdictions
State college or university	\$45,000 (1 craft) \$90,000 (>1 craft)	\$350,000	28B.10.350 28B.50.330	\$45,000 (1 craft) \$90,000 (>1 craft)
Transportation authority (under RCW 36.57 or 36.57A)	None; established by policy		36.57A	No statutory limits - set by policy
Transportation authority (under RCW 35.21.225 or 36.73)	Statutes of creating city or county		35.21.225 36.73	Most restrictive of establishing jurisdictions
Water-sewer district	\$50,000	\$350,000	57.08.050	\$50,000

Note: "Craft" refers to professional trades. The bid threshold is thus based on the number of professional trades required to complete a project.

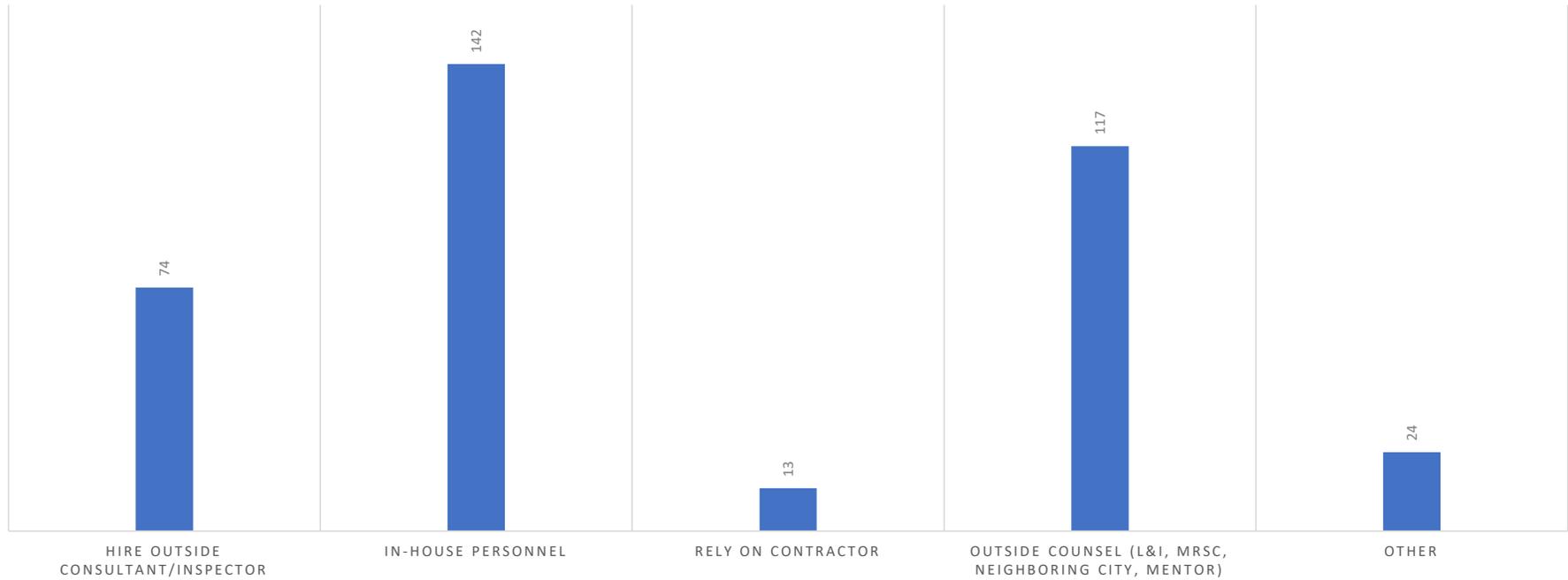
# CCI Inflation Adjustment

Small Works Threshold adj. for Inflation (Seattle Metro CCI 10 Yr Avg)



# Resources for ensuring bidding requirements

RESOURCES FOR ENSURING BIDDING REQUIREMENTS MET



# Public Works Project Notification Source

PUBLIC WORKS PROJECT NOTIFICATION SOURCE

