

Capital Projects Advisory Review Board
Construction Cost Escalation (for SWR) Committee

Meeting Support Document

July 2, 2025

From: [Theresa Bauccio](#)
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Subject: SWR Limit Survey & Reasons - Cities
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Attachments: [image001.png](#)

External Email

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I gathered input from various stakeholders on whether the limit should be raised, what limit should be raised, and their reasons for requesting the increase.

Limit

\$500K

\$700K

\$1.5 M, which is around where the full bid process becomes minimally cost-effective.

Reasons

- Inflation has increased costs significantly since this limit was set, specifically, inflation of material, labor, and overhead (fuel, insurance, etc.) prices
- Mobilization costs turn many contractors away under the 350K limits.
- Construction Costs (Mortensen Construction Cost Index) have risen by 49%. Therefore, a 50% increase would be a bare minimum to restore the limit closer to the status quo.
- The historic return to the inflationary environment is a baseline minimum increase, plus there is a need to increase to a more reasonable number for cost efficiency versus full bid documents.
- Inflation is real, and things are getting more expensive, which frees up a lot more administrative time on paperwork and internal constraints. This is ever more important as cities are trying to do more with less.
- With the rising cost of design services, labor, materials, and the impacts of inflation since the \$350,000 bid limit was last set, raising the limit is a practical step. It would
- Reduce administrative and staff time significantly, preparing and managing a formal bid process can cost tens of thousands of dollars in staff resources alone. Allowing more projects to be handled through the Small Public Works process would streamline delivery, improve efficiency, and allow agencies to respond more quickly to project needs without compromising quality.

Responses from the following Cities:

Everett– Population 112,000

Olympia – Population 56,000

Pasco – Population 80,000

Seattle– Population 767,000

Yakima- Okay with 350K. – Population 97,000

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