

Appendix

Appendix A. MRSC Scope of Work

MRSC Scope of Work

Comprehensive Review of Public Works Contracting Processes

Task 1: Project Scoping and Management: MRSC will work with the Department of Enterprise Services (DES) to confirm the scope, timeline, methodology and format for the report to the Washington State Legislature on public works contracting process. MRSC will coordinate with DES staff throughout the project and will hold regular project team meetings to ensure coordination of project staff. MRSC will conduct a literature review of recent, relevant studies of bidding, purchasing and contracting studies within Washington and of Washington State laws and administrative codes related to public works contracting.

Deliverable: Monthly Project Updates, including % complete reporting

Task 2: Stakeholder Interviews: MRSC will conduct 18-20 stakeholder interviews with representatives from DES, the Capital Projects Advisory Review Board (CPARB), Washington State Procurement Technical Assistance Center (PTAC), the County Road Administration Board (CRAB), the Washington State Association of County Engineers (WSACE), local government public works and procurement staff from cities, counties and special districts, and key small business representatives on the subject of public works contracting processes. The purpose of the interviews will be to identify: (1) decision-making considerations in the choice of contracting procedures; (2) typical projects within each relevant industry and whether or not these projects are within small works roster bid thresholds; (3) potential impacts of regional bid thresholds; (4) specific challenges for both businesses and local governments posed by current contracting processes; (5) factors that drive up the costs of public works projects; and steps that local governments take to ensure competition in the contracting process.

Deliverable: Summary of Findings of Stakeholder Interviews

Task 3: Identification of Most Common Local Government Contracting Procedures: MRSC will prepare an analysis of the 2018 Washington Department of Labor and Industries database of over 30,000 public works contracts to determine the distribution of local government contracts within each of the bid thresholds. MRSC will compare the results of this analysis to the distribution of contracting procedures used by a representative sample of local governments to verify the most common contracting procedures overall and by type of government.

Deliverable: Data-driven documentation of the most common local government public works contracting procedures, with description of methodology

Task 4: Development of an Annotated Matrix of Public Works Contracting Bid Thresholds

MRSC will develop an annotated matrix of public works contracting bid thresholds that includes the threshold limits for counties, each class of city, and each type of special district. The matrix will include annotations of RCW citations and any relevant legislative history. Where bid thresholds are not established in the RCWs, the matrix will include information on common and/or best practices within that class of local government.

Deliverable: Annotated matrix of public works contracting bid thresholds

Task 5: Analysis of Estimated Project Cost Comparison to Contracting Thresholds

MRSC will gather public works project cost data from the Labor and Industries database and local government CIPs related to the relevant industries of water, wastewater, stormwater, transportation, solid waste, and buildings and facilities. MRSC will analyze the cost data to determine the type and scope of the projects that fit within each of the contracting process thresholds. MRSC will use information gathered during the stakeholder interviews to help define the most common project types within each of the relevant public works industries.

Deliverable: A data analysis showing the distribution and type of project within each of the contracting thresholds.

Task 6: Analysis of Potential Application of Regional Inflation Index to Contracting Thresholds

MRSC will research the current inflation indices that are established on a regional basis within Washington State, including Labor and Industries prevailing wage indices. MRSC will also review research on the relationship between the actual variation in bid costs for public works projects from year to year and the annual Building Cost Index (cost of building materials). MRSC will model the impact of applying a regional inflation index to contracting thresholds over a 10-year period using the Seattle Building Cost Index and applying an agreed upon regional price index and the common contracting thresholds identified in Task 4. MRSC will also apply information gathered in stakeholder interviews to the analysis of the potential use of a regional inflation index.

Deliverable: Modeling of results of the use of a regional inflation index to contracting thresholds over 10 years and a summary of the benefits and costs of such an approach.

Task 7: Rates of Participation in Small Works and Limited Public Works Contracting

MRSC will analyze the Labor and Industries database of public works contracts to determine the number and dollar awards of contracts awarded to minority and women-owned businesses, within the small and limited public works contracting processes as a percentage of all small and limited public works contract awards.

Deliverable: Data analysis of participation rates in small works and limited public works contracting processes.

Task 8 Recommendations for Public Works Contracting and Procurement, including Identification of Barriers to Participation in Small Works Roster and Limited Public Works Contracting Processes

Based on initial data and stakeholder information developed in Tasks 1 – 6, MRSC will develop a preliminary list of recommendations for improving the uniformity and efficiency for local government public works contracting processes and a preliminary list of barriers to participation rates in the small and limited public works processes. MRSC will develop a survey instrument for gathering information from both local government public works contracting staff and contracting businesses in public works industries. Based on the stakeholder interviews, the instrument will include a protocol for an on-line survey and follow up telephone calls that will be conducted as needed to ensure participation rates.

The survey will be tested for clarity, ease of use, and consistency of responses. The revised, tested survey will be customized and sent directly to local government public works contracting staff and to business representatives in public works industries.

The analysis of survey results will identify the most effective recommendations for improving public works contracting processes and the most challenging barriers to small and limited works contracting processes.

Deliverable: Report on survey findings and a set of public works contracting recommendations that have been vetted by experts and practitioners in the field.

Task 9: CPARB Coordination and Final Report

MRSC will make two presentations to CPARB during the course of the study. The first will present the scope of the project and preliminary report findings and the second, in August 2020, will review the draft of the final report. MRSC will develop a final report that encompasses the data, analysis, and recommendations from Tasks 1-8. The scope anticipates two rounds of revisions – one round based on comments and suggestions from stakeholders and one final round based on DES and CPARB feedback.

Deliverable: Report on Public Works Contracting Processes in Washington State

[Appendix B. Survey Questions](#)

Survey Questions – Public Agency

1. What type of entity do you work for?

- City
- County
- Special purpose district (school district, fire district, water district, hospital district, etc.)
- Private business
- University or institute of higher education [if selected, take the respondent to a custom end page thanking them for their participation but explaining that we are only collecting information from local governments and businesses]
- State agency [if selected, same result as universities above]

2. Please enter your information below. We will only use your contact information if we have any follow-up questions for you.

- Name
- *Agency or Business Name
- Email

3. Approximately what percent of your public works projects are done using the following processes? (If you do not use a particular process, just enter "0" for that line)

- Formal competitive bid
- Small works roster
- Job order contracting
- Use agency forces below statutory bid limit
- No bid procedures below statutory bid limit
- Other process

4. If your thresholds are not set by statute, and are set by internal policy instead, how do you establish those thresholds?

- Follow other existing RCWs
- Established by policy
- No Policy
- N/A - My agency's thresholds are set by statute
- Other (please specify)

5. Do you think your agency would benefit from an increase to the small works roster limit, which is currently set at \$350,000 for most agencies?

- Yes – large benefit
- Yes – small benefit
- No benefit
- Unsure

5a. Please explain why an increase in the small works roster limit would or would not benefit your agency.

6. Do you think your agency would benefit from an increase to your statutory bidding thresholds?

- Yes – large benefit
- Yes – small benefit
- No benefit
- Unsure

6a. Please explain why an increase in your statutory bidding thresholds would or would not benefit your agency.

7. If your agency is authorized to use unit price contracting, have you done so?

- Yes
- No
- Not applicable

8. If public works bidding thresholds were automatically increased every 5 years according to inflation, what would the impact be on your organization?

The numbers below are hypothetical examples based on inflation trends shown in the Construction Cost Index over the past 20 years (roughly 3.5% per year). These numbers are for demonstration purposes only.

Year	Adjusted Small Works Threshold
2020	\$350,000
2025	\$410,000
2030	\$500,000
2035	\$600,000
2040	\$730,000

9. Rate the opportunity level of the following factors for increasing public works efficiency.

When answering this question, consider the factors that drive up the cost or reduce the efficiency of public works projects and could potentially be addressed through statutory or policy changes.

(matrix – high opportunity, medium opportunity, small opportunity, no opportunity)

- Prevailing wages
- ROW acquisition
- Rural location (transportation of equipment to rural places, etc.)
- Newspaper ads and other requirements

- Material costs
- Contract administration, paperwork, closeout time (“red tape”) etc.
- Environmental regulations
- Other (please specify)

10. What are barriers to increasing participation in the small works roster including the limited public works process?

- Not enough contractors available on my Roster
- Insufficient response from Roster contractors
- Insufficient resources to market to additional contractors
- Other (please specify)

11. What improvements do you think could be made to the small works roster process to make it more effective? (open-ended)

12. Does your agency have diversity goals for Public Works contracts?

- Yes
- No
- Unsure

13. What barriers do you see to engaging with minority- and women-owned businesses on your Small Works Roster? (open-ended)

14. Has your agency taken any specific steps to increase participation by diverse contractors?

[select all that apply; order will be randomized except for final “other” category]

- Specific outreach or marketing to diverse contractors
- Inclusion Plans
- Mentorship/mentor programs
- No steps taken
- Other (please specify)

15. In which areas of public works contracting could you use training or technical assistance?

[select all that apply; order will be randomized except for final “other” category]

- Understanding fundamental contracting components and procedures
- Making sure appropriate contract language is in bid packet
- Use of alternative contracting methods
- Understanding the risks involved with contracting processes
- Creating Scope of Work/bid documents
- Managing Timelines
- Other (please specify)

16. What resources do you rely on to assure public works construction requirements are met?

[select all that apply; order will be randomized except for final “other” category]

- Hire outside consultant/inspector
- In-house personnel
- Rely on contractor
- Outside counsel/legal (L&I, MRSC, neighboring city, mentor)
- Other (please specify)

17. Do you have any other thoughts or considerations regarding public works contracting in Washington State? (Challenges you face, suggested changes or improvements, etc.)

Survey Questions – Business

1. What type of entity do you work for?

- City
- County
- Special purpose district (fire district, water district, hospital district, etc.)
- Private business
- University or institute of higher education [if selected, take the respondent to a custom end page thanking them for their participation but explaining that we are only collecting information from local governments and businesses]
- State agency [if selected, same result as universities above]

2. Please enter your information below. We will only use your contact information if we have any follow-up questions for you.

- Name
- *Agency or Business Name
- Email

3. What Industry type is your business? (open ended)

4. What size public works projects do you typically pursue? (Check all that apply)

- \$0 - \$10,000
- \$10,000 - \$50,000
- \$50,000 – \$150,000
- \$150,000 – \$350,000
- \$350,000 - \$500,000

- \$500,000 or greater

5. How do you learn about public works projects? [select all that apply]

- Daily Journal of Commerce
- Small works roster
- Local newspaper
- Agency websites
- PTAC or other small business support listserv/website
- Other (please specify)

6. What barriers do you perceive when considering to bid on a public works project as opposed to private sector projects? [select all that apply; order will be randomized except for final “other” category]

- Prevailing wage
- Required training
- Required documents
- Ability to complete forms
- Other (please specify)

7. Are you willing to travel in order to complete public works projects?

- Yes
- No

7a. If so, what considerations do you make when deciding to bid on those projects? (select all that apply)

- Distance from company
- Award Amount
- Logistical effort required
- Other (please specify)

8. After being awarded a project, what specific challenges or risks do you face in completing a public works project? [select all that apply; order will be randomized except for final “other” category]

- Understanding and meeting bidding requirements
- The ability to bond for a project
- Don't understand all the risks involved
- Timelines
- Difficulty securing a loan or other funding for the project
- Retainage
- Ability to complete forms

- Other (please specify)
- N/A; Have not completed or been awarded a project

9. Rate the opportunity level of the following factors for increasing public works efficiency?

(matrix – high opportunity, medium opportunity, small opportunity, no opportunity)

- Prevailing wages
- Rural location (transportation of equipment to rural places, etc.)
- Material costs
- Contract administration, paperwork, closeout time (“red tape”) etc.
- Environmental regulations
- Other (please specify)

10. What change or improvements do you think could be made to the public works contracting process to make it more effective?

11. What are barriers to increasing participation in the small works roster including the limited public works process?

12. What barriers do you see participating on the Small Works Roster?

13. Is your business considered a small business? (Fewer than 500 employees)

- Yes
- No

14. Is your business Veteran owned?

- Yes
- No

15. Is your business minority or women owned?

- Yes
- No

14a. If yes, have you certified with the Office of Women and Minority owned Business Enterprises (OWMBE)? Why or why not?

16. Do you have any other thoughts or considerations regarding public works contracting in Washington State? (Challenges you face, etc.)

Appendix C. Survey Question Methodology and citations

Demographic Questions

1. What type of entity do you work for? [multiple choice]

This question is meant to show the survey participant the correct set of questions (public agency employee vs. Business) and filter out any out-of-scope participants (state agency/university employees). This allows us to gain access to our partner mailing lists without having to ask them to filter (which may be impossible for some) their lists to eligible agencies. All survey invitations directly from MRSC will only be to eligible, in-scope agencies.

2. Please Enter your information below. We will only use your contact information if we have any follow-up questions for you. [asks for Name, Agency/Business Name, and Email Address]

The survey is designed to receive high-level data. We are collecting contact information in the event that we will reach out to participating entities after the fact to gather more detail regarding their answers. The business survey will ask, in addition, for the business industry type.

Public Agency Questions

The below questions will only appear in the survey if the participant selects an eligible agency type in the first question.

3. Approximately what percent of your public works projects are done using the following processes? (if you do not use a particular process, please enter '0' for that line)

SB 5418 Citation: *a) Identification of the most common contracting procedures used by local governments;*

This question is designed to capture the most common contracting procedures used by local governments. An estimated percentage is best to address this question to determine how typical each contracting procedure is without having to request participants come up with exact numbers. This allows the participants to continue through the survey easily without compromising on the data.

Please note that we have not included “unit price” contracting because it is not a separate bidding process and uses either the formal process or small works roster process.

4. If your thresholds are not set by statute and are set by internal policy instead, how do you establish those thresholds? [multiple choice]

SB 5418 Citation: *b) Identification of the dollar amounts set for local government public works contracting processes;*

This question was designed to understand, for those agencies that do not have statutory limits, how those limits are created.

5. Do you think your agency would benefit from an increase to the small works roster limit, which is currently set at \$350,000 for most agencies?

5a. Please explain why an increase in the small works roster limit would / would not benefit your agency.

SB 5418 Citation: c) Analysis of whether the dollar amounts identified in (b) of this subsection comport with estimated project costs within the relevant industries;

During the initial stakeholder interviews, many participants questioned the need to raise the small works roster limit. MRSC has included this question to try and understand what types of agencies would like to see this threshold increased and how much benefit they would receive. This will ensure that we understand the full rationale for creating an inflation factor and can best identify the need to raise the limits over time.

6. Do you think your agency would benefit from an increase to your statutory bidding thresholds?

6a. Please explain why an increase in your statutory bidding thresholds would / would not benefit your agency.

SB 5418 Citation: c) Analysis of whether the dollar amounts identified in (b) of this subsection comport with estimated project costs within the relevant industries;

Similar to the previous question, this question was included to understand the benefit of raising the statutory bidding threshold and what agencies would see the increase as a benefit.

7. If your agency is authorized to use unit price contracting, have you done so?

SB 5418 Citation: a) Identification of the most common contracting procedures used by local governments;

Unit-price contracting is relatively new to most agencies in Washington State. This question was included to understand if agencies are aware they are eligible to use the new procedure and whether or not they are taking advantage of the new option.

8. If public works bidding thresholds were automatically increased every 5 years according to statewide inflation, what would the impact be on your organization? (The numbers below are hypothetical examples based on inflation trends shown in the Construction Cost Index over the past 20 years (roughly 3.5%). These numbers are for demonstration purposes only.

SB 5418 Citation: d) An analysis of the potential application of an inflation based increaser, taking regional factors into consideration, to the dollar amounts identified in (b) of this subsection, for example:

This question is included to gauge the value of raising the threshold limits over time and how that would impact agencies, using either a regional factor or a statewide factor.

9. Rate the opportunity level of the following factors for increasing public works efficiency. (When answering this question, consider the factors that drive up the cost or reduce the efficiency of public works projects and could potentially be addressed through statutory or policy changes) (matrix – high opportunity, medium opportunity, small opportunity, no opportunity, unsure)

SB 5418 Citation: e) Recommendations to increase uniformity and efficiency for local government public works contracting and procurement processes;

MRSC has included this question to understand efficiencies in the public works contracting process. The answers included are the most common factors identified by our interview participants. MRSC hopes to use this data to make further recommendations in our report for future study and potential efficiencies.

10. What are barriers to increasing participation in the small works roster including the limited public works processes?

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

This question is included to directly address the citation above and understand what barriers public agencies perceive to increasing participation on the small works roster and limited public works processes.

11. What improvements do you think could be made to the small works roster process to make it more effective? (open-ended)

SB 5418 Citation: e) Recommendations to increase uniformity and efficiency for local government public works contracting and procurement processes;

This question has been included to find potential efficiencies for the small works roster process specifically.

12. Does your agency have diversity goals for Public Works contracts?

SB 5418 Citation: f) Rates of participation of all contractor types, including qualified minority and women-owned and controlled businesses, in the small works roster and limited public works contracting processes;

This question is designed to quickly understand if a public agency has diversity goals in place. When agencies answer yes to this question, MRSC's intention is to allow for follow up with those agencies (if permission is granted) to learn more about their intent and specific diversity goals to see if they have any potential insight into how to increase minority and women owned businesses' participation.

13. What barriers do you see to engaging with minority- and women-owned businesses on your Small Works Roster?

SB 5418 Citation: f) Rates of participation of all contractor types, including qualified minority and women-owned and controlled businesses, in the small works roster and limited public works contracting processes;

MRSC wanted to include an open-ended question specifically regarding participation of minority and women owned businesses on the small works roster to directly respond to the citation above.

14. Has your agency taken any specific steps to increase diversity among its contractors?

SB 5418 Citation: f) Rates of participation of all contractor types, including qualified minority and women-owned and controlled businesses, in the small works roster and limited public works contracting processes;

MRSC recognizes that there are some efforts to increase participation that do not require formalized diversity goals. This question is designed to capture if an agency is specifically working to increase diversity without set goals. The multiple choice answers here are the efforts MRSC is currently aware of that agencies are implementing. We hope that this data will help us to fully realize the efforts being made to increase minority and women owned business participation.

15. In which areas of public works contracting could you use training or technical assistance in?

16. What resources do you rely on to assure public works bidding requirements are met?

No bill citation – Legislative request/recommendation

In our conversations with the legislature, there was a question surrounding what assistance is needed by public agencies and what resources they currently have available to them in

developing public works projects. These questions are designed to highlight if there is a need for assistance and if the study should recommend future efforts to fully define that need.

17. Do you have any other thoughts or considerations regarding public works contracting in Washington State? (Challenges you face, suggested changes or improvements, etc.)

We have included this question as a ‘catch-all’ to give the participant a space to include any final thoughts or considerations regarding this project and the public works contracting process.

Business Questions

The majority of the questions on the business survey surround the barriers to participating in public works projects. Although the bill citation specifically calls out small works roster participation, many businesses (including those interviewed in our initial stakeholder interviews) do not view small works projects differently than projects done through formal bid, limited process, etc. Therefore, MRSC has elected to ask these questions in a broad sense to gain an understanding of the business perspective on public works contracting.

18. What industry is your business in?

No citation – demographic question.

19. What size public works projects do you typically pursue?

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

This question is included to understand what size projects businesses are most interested in pursuing. This will assist in determining if business interest matches public agency need to ensure that increasing participation in public works projects is possible.

20. How do you learn about public works projects? (Select all that apply)

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

Many of the efficiencies heard during our public agency stakeholder interviews included changing advertising rules. MRSC designed this question to understand where businesses hear about public works projects to ensure that this recommendation would work for both the agency and business.

21. What barriers do you perceive when considering to bid on a public works project as opposed to private sector projects?

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

This question directly links to the citation above to ensure the project team is aware of all barriers that businesses see when considering a bid. The listed multiple choice answers are those requirements that a business must complete to bid on a government contract that do not apply when competing for similar work in the private sector.

22. Are you willing to travel in order to complete public works projects?

22a. If so, what considerations do you make when deciding to bid on those projects?

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

Rural agencies, when interviewed, were concerned that their bids were not competitive because contractors are unwilling to travel. MRSC designed this question to understand the business communities' willingness to travel for public works projects and what extra considerations are made when determining whether to bid on projects further away.

23. After being awarded a project, what specific challenges or risks do you face in completing a public works project?

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

This question is designed to identify, once a contractor is awarded a bid, what risks or challenges they face in completing a public works project. These factors may also play a role in participating in future bids.

24. Rate the opportunity level of the following factors for increasing public works efficiency. (When answering this question, consider the factors that drive up the cost or reduce the efficiency of public works projects and could potentially be addressed through statutory or policy changes) (matrix – high opportunity, medium opportunity, small opportunity, no opportunity, unsure)

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

MRSC has included this question to understand efficiencies in the public works contracting process and to see if public agency projects and private sector projects line up in terms of cost for the contractor, and how they differ.

25. What change or improvements do you think could be made to the public works contracting process to make it more effective?

SB 5418 Citation: e) Recommendations to increase uniformity and efficiency for local government public works contracting and procurement processes;

g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

This question has been designed to give participating businesses a space to identify any further improvements or considerations they see when looking at the public works contracting process.

26. What barriers to you see to increasing diverse businesses (women-and-minority owned) participation in public works contracting? [open-ended]

SB 5418 Citation: f) Rates of participation of all contractor types, including qualified minority and women-owned and controlled businesses, in the small works roster and limited public works contracting processes;

g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

This question has been included to directly answer, in the business perspective, the above bill citations.

27. What barriers to you see participating on the small works Roster? [open-ended]

SB 5418 Citation: g) Barriers to improving the participation rate in the small works roster and limited public works contracting processes.

This question was included to catch any barriers businesses perceive while participating on the small works roster. The question is a direct ask from the above citation.

28. Is your business considered a small business? (Fewer than 500 employees)

29. Is your business veteran owned?

No citation

These two questions were included as demographic questions. This will assist the project team in analyzing previous questions by understanding if answers differ between different groups of businesses.

30. Is your business minority or women owned?

30a. If yes, have you certified with the Office of Women and Minority owned Business Enterprises (OWMBE)? Why or why not?

SB 5418 Citation: f) Rates of participation of all contractor types, including qualified minority and women-owned and controlled businesses, in the small works roster and limited public works contracting processes;

This question, along with the follow up, is designed to identify those businesses completing the survey that are minority and women owned to filter those results and highlight their barriers to participation.

31. Do you have any other thoughts or considerations regarding public works contracting in Washington State? (Challenges you face, suggested changes or improvements, etc.)

We included this question as a 'catch-all' to give the participant a space to include any final thoughts or considerations regarding this project and the public works contracting process.

Appendix D. Survey Comments: Small Works Roster Threshold Increase

Please explain why an increase in the small works roster limit would / would not benefit your agency.

Open-ended question. Comments have been categorized by the respondents answer to the previous question: Do you think your agency would benefit from an increase to the small works roster limit, which is currently set at \$350,000 for most agencies?

Yes - Large Benefit

Large Benefit – Increase Efficiency (Save time, money, effort)

- A higher limit - around \$500K would encompass many maintenance and support contracts that are now subject to formal bidding. - Saves time and cost.
- As a small entity, any increase in limits would provide time efficiencies.
- BENEFIT BY SAVING ADDITIONAL TIME AND EFFORT
- Easier time bidding projects.
- Efficient, faster start up to construction

- If STA used a small works roster this \$ threshold would be a very big benefit. I would approximate that 75-80% of the procurements I do each year fall under this threshold. It would save a significant amount of my time to be able to use a roster. At this time, if it is \$7M or \$7k I go through nearly the same process and spend just as much time to get competitive bids/quotes because we don't have a roster. As a smaller community it can be difficult to get enough competitive quotes or bids for smaller projects from available and qualified contractors. As a PTBA it was only recently (a year or so ago I believe) that the use of small works rosters was allowed so we just haven't dedicated the time to doing it yet.
- It would allow for faster procurement processes. We have difficulties getting formal bids, most contractors prefer informal SWR quotes.
- The larger threshold would save time, money and effort soliciting work.
- We are a small agency. The cost of projects has increased substantially since the limit was set, requiring a formal bid process. The work involved in managing a formal bid process is a burden on our small agency.
- We are a small entity, and an increase in small works roster limit would reduce cost and time compared to formal bidding.
- We do paving projects in the \$300-500 thousand dollar range. It is the same three or four pavers every time. Most are simple overlays. Going through the bid process takes time.
- We go through Small Works Contracts quickly, increasing the dollar amounts would decrease the amounts we execute.
- We have limited staff and funds, therefore using the small works roster saves valuable staff time and advertising funds compared to formal bid process.
- Simplify and expedite the process of smaller scale projects.
- Small Works Roster process would decrease the time and expense needed to post project, receive, evaluate and select proposals
- Takes less time to choose off of SWR than going out for formal bid, as well as costs less money!
- Reduce bid time and effort
- Repairs to existing sewer infrastructure (i.e. sewer line and manhole rehabilitation) can often exceed the current small works roster limit, thereby requiring formal bid and further increasing the repair cost.
- Our annual budget is \$26,000 a year. Bidding requires a huge expense to us. Most of our projects are through grants with the RCO.
- Our resources are limited so the Roster is critical to reduce administrative and contracting costs.
- It would make it easier to contract for smaller jobs.
- It would reduce time spent on project estimates, scheduling, award and completing the project.
- Limits are from years ago and need to be updated. Time saving
- Many projects we have are in this price range. We send bids to all prospective contractors on our list (which is free to join) that are of applicable trades/specialties which allows competition, yet allows for expedited/less difficult contracting and approval processes.
- Increase in competitive bidding allows for potential savings.
- The District has a variety of projects that are close to \$350,000, up to around \$500,000. The current SW process is helpful, results in competitive bids while requiring less administrative support and document preparation.

- An increase would benefit us by relieving us the burden of advertising which costs and more importantly add to the timelines of getting a project under construction. In my agency, the formal bid procedures can add between 6-7 weeks to awarding a project depending on the commissioner's meeting schedule.
- We have been working on large capital projects for eight years now and will be returning to regular, annual water main upgrade projects that are typically \$500,000. We would use our small works roster process and complete two or three of these projects each year. There is a substantially smaller overhead cost associated with small works projects which would allow us to complete more projects annually.
- Costs have gone up, the increase would allow for the adjustments needed to keep up with inflation since the dollar amount was set many years ago.
- We are a small district with limited staff. The formal bid process is time consuming and expensive.
- Cost for water and sewer work has gone up 33 percent. As a public agency you can save a lot of money by using the small works process and still let everyone bid that wants to work in your District. Costs in the public bid are up 33 percent. You can pay \$300.00 a foot to replace a 8" main and that is a hardship on our customers.
- Time and cost savings
- Most of our projects are small or emergency in nature. Raising the SWR limit would help us expedite projects.
- Ports are still set at \$300,000 per statute 53.08.120. An increase would benefit our agency as the legislature has stated for other agencies, it brings modernization and efficiency to procurement departments and consistency among all agencies.
- We are small and understaffed with only two public assets on an island with little to no resources, would be more efficient to increase the limit
- As a port, we're still at 300,000. Small works with our limited staff helps move the projects much more quickly. Our small contractors also appreciate the simpler small works process

Large Benefit – More Flexibility

- As a small agency we need the MRSC to have as much flexibility in developing the program as possible. We depend upon the MRSC for the small works roster
- More flexibility when using the Small Works contract

Large Benefit – Other

- A small works roster project is much easier to manage in terms of preparing the bid package. Many times we have a project that is extremely simple to complete, like a utility extension, but costs more than the current threshold of \$350,000 simply because of the length of the project. Therefore, we have to put more time and effort into preparing a full bid package, which adds cost and time to simple projects.
- Cost of materials and labor continue to rise, but the limit does not.
- I think the roster reaches more contractors
- Spokane Transit Authority

- It allows the owner to hand pick three firms that can potentially provide a superior product than just the lowest bidder.
- It would benefit our agency because the cost of advertising is expensive, and the time it takes to award a job is lengthy.
- It would help us to get projects completed more quickly for a competitive price. It also would support King County's goal to support equity and social justice initiatives and provide economic opportunities for small businesses and WMBE's and provide those businesses with experience so they can become competitive for larger contracts.
- Project costs are directly influenced by federal & state laws related to labor and material. This results in high project costs. Most current projects that we would classify as "small works" exceed \$350,000, and are typically closer to \$500,000. However, if one threshold is increased, all contracting thresholds should be increased.
- The City uses the Small Works roster in most of our projects.
- We can quote up to the current SW threshold. Raising the threshold would decrease the number of formal bids we have to conduct.
- With the increasing costs of public works projects today, many projects that used to fit the criteria for using the small works roster now exceed the threshold forcing small entities on even smaller budgets to use the more expensive and time-consuming competitive bid process.
- Would be able to easily provide more work to DBE firms.

Yes - Small Benefit

Small Benefit – Increase Efficiency (Save time, money, effort)

- Expedited bidding process with marginal cost savings.
- For small districts like JBWD, it saves on costs associated with publishing and record keeping.
- It saves money in advertisement costs and in time.
- It would ease the administrative burden on staff. I would like to see the threshold increase to \$500,000
- Save on advertising costs
- Savings in time in our internal processes.
- Small agency. Few people. Less paperwork
- Small works bidding is a little simpler than the formal bid process.
- Small works roster process is faster, less cumbersome and costly, to use. Updating the threshold keeps pace with inflation. However, the number of projects that would fall in a new threshold is relatively small
- SWR is a streamlined process compared to the Design-Bid-Build Delivery method. However, I think its likely that projects above 350K would require some amount of engineered drawings.
- There are some efficiencies and signature authority follows the SWR limits
- Use of the roster allows us to get projects started/completed quicker, and it's an easier process to use.
- Using the small works process saves time, it is a much faster process than formal bidding.
- We don't have many project above the current threshold but competitive bidding is extremely time consuming. Being such a small agency, we don't have staff dedicated to purchasing procedures full time so have to pull people from other projects.

- Save in the costs for advertising and project manager fees.
- Small works process is faster and less costly.
- We are an island district and contractors are limited and off-island contractors are significantly more expensive due to ferry and travel time costs
- It would decrease contracting complexity for medium sized projects.
- An increase would allow us to reduce administrative cost on a larger portion of our projects.

Small Benefit – More Flexibility

- Added flexibility
- An increase just allows us more freedom to choose which method to procure the services. Some smaller contracts still warrant a formal competitive bid. The small works roster allows us to get a contract awarded faster.
- It is nice to have multiple ways to deliver projects. The Small Works Roster and Job Order Costing help us stretch our limited staffing resources.
- Provides for a little more flexibility - it is not particularly difficult to wander above the \$350 k threshold

Small Benefit - Other

- \$350,000 covers a substantial amount of work, and most of our non-agency force functions. Slightly higher would work, but open competition for projects is good for transparency and access to public contracts.
- \$350,000 is a good limit. However most road improvements exceed this amount pretty quickly. This is where we would use a formal bid process.
- For a project of \$350K, most smaller cities would be using state or federal funding which would require formal bidding regardless of the high small works roster threshold
- Larger pool of contractors
- local policy requiring city council award limits the time benefits derived from the sm works roster process.
- More projects would fall into small works contracting.
- Our capital program is not that large, so the benefit isn't that significant.
- Our experience with the types of projects we engage for these amounts is driven by the Federal Acquisition Regulations and/or Grant requirements.
- Our internal procedures makes the small works roster process almost as cumbersome as formally bidding the project.
- Reduce the formal bid process
- Sometimes the limit exceeds \$350,000
- The SWR we use encompasses many disciplines. Increasing the limit will expose our projects to more vendors/contractors. Also would increase efficiency in transacting.
- The vast majority of our bids fall under the small works limits, so we'd probably increase our use of the SWR, but since we already use it a lot, it would be a minor improvement.
- To keep pace with inflation, and some of our projects on the horizon are close to this limit
- Typically a project in the \$300K range will be a formal bid process

- Using the SWR hasn't saved us a lot of time. In some situations when we've solicited to the entire category of contractors it has created a huge increase in work because the lowest bidder turns out to be a small contractor far from our location and we've had issues with them defaulting on their contracts.
- We are a small city. Most projects are small. Statutory protections for large projects are valuable.
- We don't use the SWR process very often. Port's are still at the \$300,000 threshold due to our RCW not being updated.
- We have had to rebid several job that attempted to utilize the roster. Contractors are treating as spam or ignoring. Had to rebid using formal bid, costing extra weeks.
- We just expanded our main treatment plant significantly, and added another plant in a different city. The value of our infrastructure is well over 1 Billion dollars. A major emergency can eat up a lot of that \$350, 000 limit. Perhaps a percentage based on the value of your infrastructure or agency, would better serve everyone's needs.
- We typically have two ranges of projects. Projects with a value of \$100,000-\$500,000 and projects over \$1.2 million. Increasing the small works roster limit to match the project ranges would better align with the projects we typically complete.
- We have very few projects over \$350,000.
- We are in a very rural area; we have a hard time getting contractors who will do all of the paperwork required for any job at all.
- Change of conditions and change orders are unavoidable during construction, if the limit increased, you would not have to worry going over the limit when change order happen.
- We have very few projects that sit at the threshold. We are either well over the threshold or down at the multi craft threshold. the level of benefit would depend on how much the threshold would be increased.
- Limited amount of our projects are near the current threshold. Contracts are either way under or way over.

No Benefit

No Benefit – Do not use SWR Process

- Do not have small works roster and do not use MRSC roster
- We've not typically used the small works roster. We've found we don't effectively engage with quality contractors via our roster. However, we've recently changed to the MRSC roster so it may be more effective in the future.
- the SWR is not effective in our county. no one responds
- We primarily use Job Order Contracting for work up to \$500,000
- currently do not use

No Benefit – Internal Policy is set differently

- Local policy restricts to federal limits
- Our Council has capped what the city manager can approve to \$100,000
- Our formal bid limit is \$100K

- Our formal Bid threshold is set at \$100,000 so we wouldn't be able to use the Small Work Process over \$100,000
- over about 200k, we do competitive bidding
- We would generally go through an open/advertised bid process for anything above \$65,000.
- No benefit because at that level, we would always use a bid process anyway. We are a small system serving just under 10,000 people.
- Our policy for informal bid selection from small works roster has a much lower threshold than \$350K.
- Most projects in this range are bid competitively

No Benefit – Limited number of projects near SWR threshold

- Formal bid for most projects
- Most of our projects are grant funded which require a more extensive bidding process.
- Most of our small work roster projects are below \$350,000 and due to our size most likely would not be more.
- Most of our small works projects are already under the limit.
- We are a small hospital district and do not manage projects above \$350K under our small works policy.
- We do not have jobs that reach \$350,000
- We have one large paving contract a year. The difference in the limit wouldn't affect a large number of projects
- We have very few projects that reach the current threshold.
- We rarely exceed this amount, if at all.
- We rarely have projects that exceed \$300,000.
- Current budget forecast does not foresee large projects or tasks benefitting from an increased cap
- We are a small port and rarely if at all need to have a limit above the stated one.
- Most of our projects are very small in dollar amount. Very few projects are over \$350,000

No Benefit - Other

- no tax base here
- Pend Oreille County uses MRSC rosters for our small works roster. Rosters membership is not common for the contractors in our area. Formal bidding can yield a better pool of willing contractors.
- Pool is too small
- The \$350,000 small works roster limit seems appropriate--any projects above that threshold should probably go through formal competitive bidding process.
- The process is nearly the same amount of work for us so \$350,000 is good
- The small works roster is a great tool, but doesn't necessarily expedite work.
- would not benefit--we are a very small special purpose port district.

Unsure

- City's formal bid requirement is at \$45,000. Unsure if City would modify policy/procedure to use small works roster instead.
- Currently our internal policy sets the threshold at \$200,000.
- For larger jobs the City desires to use the competitive bid process.
- It depends on the PA's office's position with whether we can take advantage of the new limit. Most of our projects are less than \$500,000. This would mean we would rarely have to go out to bid, although we might choose to in order to solicit more interest.
- Not sure if Council would be comfortable with giving staff approving authority of contracts over \$350K
- Small works is faster than the formal bid but the addition of apprentice requirements makes it less agile.
- Sometimes the quality of the contractors in the small works roster is not as high those we get through bidding. We also see more irregularities in the small works bids.
- The City of Seattle does not currently use a small works roster.
- Unsure on this question. We use the small works contracting/purchasing for the smaller scale projects. Larger projects are competitively bid.
- We have a tree service and all the jobs we have done have not been large ones.
- We have few projects, and most are in the \$40K-80K range. One upcoming project is likely to be \$500K+
- Most of our projects fall below our \$300,000 threshold so I do not believe that it would benefit us.

Appendix E. Survey Comments: Statutory Bidding Threshold Increase

Please explain why an increase in your statutory bidding thresholds would / would not benefit your agency.

Open-ended question. Comments have been categorized by the respondents answer to the previous question: Do you think your agency would benefit from an increase to your statutory bidding thresholds?

Many commenters wrote "same as above" indicating their reasoning for this threshold change is the same as their reasoning for the question: Please explain why an increase in the small works roster limit would / would not benefit your agency.

Yes - Large Benefit

Large Benefit – Efficiencies (Save time, money, effort)

- A lot of our contracts are for small(er) items of work that need to be accomplished. This allows us to get the contract awarded quickly with minimal administration, allowing savings for the taxpayer and serves the needs internally much faster.
- Again, it would ease the administrative burden to staff. We appreciate the recent increase. A reduction in the requirements for retainage and bonds outside the SWR process would be extremely helpful.
- An increase to goods and services would allow for more work to get done faster.
- As a small entity, any increase in limits would provide time efficiencies.
- BENEFIT BY SAVING ADDITIONAL TIME AND EFFORT

- Bidding takes longer due to the time it takes to post the bid documentation, wait, hold the pre-bid meeting, wait, hold the bid opening, wait, get Commission approval.
- Easier time bidding projects.
- Formal bidding takes significant agency administrative resources that could be better spent managing a public works project. I am not aware of any significant issues with contractors not being aware of opportunities or not being fairly selected to perform the work.
- Higher thresholds would also serve to keep smaller projects from having to be approved by Council (always on consent calendar) saving time and cost.
- Increasing the bidding thresholds would allow for larger materials purchases without having to go through the full bid process, greatly saving time.
- It would allow for faster procurement processes. We have difficulties getting formal bids, most contractors prefer informal quotes.
- Limited Public Works Process is being used for many of our unit priced (on-call) contracts. The \$50,000 threshold limits most of our contracts to one year only. If the threshold was higher we could have multi-year contracts saving bidding time and allowing continuity. Retainage and bonding requirements beyond the threshold limit creates a financial burden for smaller contractors.
- Limits are from years ago and need to be updated. Time saving. Same as above
- Our resources are limited so the Roster is critical to reduce administrative and contracting costs.
- Reduced effort, staff time and associated cost in advertising.
- Schedules continue to be a difficult part of projects, and any changes that can be made to ease the contracting burden and keep things moving along would be valuable.
- There are so many utility tasks our maintenance crews could accomplish in much less time and with much less cost if the statutory bidding limits were increased. For example, extending a water line 200 feet to connect to another line so as to increase operating pressures and possibly adding a single fire hydrant along the way for better fire safety purposes would be simple to do. But because just the material costs exceed the statutory bid thresholds, we are forced to prepare a small works or formal bid package for small projects like this. We could serve our community needs much faster and with less cost if the thresholds were increased.
- Like above costs have gone up 25 to 33 percent on supplies and materials.
- Cost of projects ever increasing and what was enough when the thresholds were set are not appropriate for today's projects
- we can do work internally at a lower cost than contractors
- I am considering an option of hiring a construction crew and have district staff install sewer mains. I am under the impression anything above \$50k requires public bid. An increased amount would save our ratepayers \$ when it comes to connection charges if we could successfully run this.
- An increase would benefit our agency as the legislature has stated for other agencies, it bring modernization and efficiency to procurement departments and consistency among all agencies.
- An increase would allow us to reduce administrative time and cost on a larger portion of our projects.
- Ability to perform in-house work with hire thresholds is often a common need for an agency our size. Bid limits present limitations on what can be done internally and with rising construction costs, bid limits should also be adjusted.

Large Benefit - Other

- An increase to the non-competitive threshold would allow departments to choose who they want without creating detailed specifications. Often, a department needs to call a contractor to get work done fast. Bidding is great for demonstrating fiscal responsibility to the public but it also slows down the process.
- I feel this would be the same positive benefit as with increasing the small works roster limit. The increase in statutory bidding thresholds would allow us to bid higher dollar amount contracts and thus process fewer of them each year.
- It would give our project managers more flexibility in getting quotes and selecting their contractor based on work and the company. In addition it would save a lot of staff time without having to prepare bid documents. On the other hand the negative would be a decrease in competitive prices if we weren't doing a formal bid process.
- It would help with keeping the same contractor for all jobs.
- Keep pace with inflation.
- Most contractors are not interested in bidding on PW projects, due to the paperwork. Larger limit would allow internal policy to increase its limits allowing for the smaller contractor to have opportunity to bid.
- My answer to this is in regards to the purchasing limits. We are currently held at \$7,500 which is quite low in today's marketplace.
- Our internal process are very restrictive.
- Same as above.
- See above
- See answer above.
- The recent change to day labor thresholds is weird. They should be consistent with first class cities.
- The statutory limit needs to reflect the rise that has occurred over the years for today's public works projects.
 - without a lot of paperwork
- We use statutory bidding thresholds as standards and guides to establish our agency guidelines.
- With projects becoming more expensive, an increase in statutory limits for bidding thresholds is long overdue.
- A variety of R&R type projects fall in a lower cost category, perhaps \$75-100K. There are a variety of smaller contractors that thrive on these smaller projects, some specializing in certain activities. The District generally rotates through qualified contractors for work that does not require bidding.
 - same as above
 - See answer to previous question.
 - Bring in a larger number of qualified bidders.
 - Sometimes getting any bidders on relatively small projects is a challenge. An increase would help us get a contractor.

Yes - Small Benefit

- Again simplify and expediting the process.

- Allows greater flexibility to get projects completed by City staff, and allows us to call out contractors to get small projects done quickly by contractors that we know are qualified to do the work.
- allows more flexibility
- Allows more work to be done by internal forces: eliminating bidding related time constraints and additional costs.
- An established standard is more legally defensible.
- Could use small works roster for larger scale projects
- If the thresholds are increased it will provide more flexibility in our contracting procedures.
- Increased flexibility is better, but not a large benefit
- It would allow for a little more informal (advertised) bidding.
- It would be nice to have the lower threshold limit of \$2,500 increased to say \$5,000 to \$8,000. We have had trouble with estimated project costs in the \$3,000 - \$8,000 dollar range that it is hard to find the minimum 3 quotes on.
- It would be nice to have the option in some cases. In other cases, the dollar amounts add up quickly and should be better controlled and more transparent.
- Less staff work, but likely increase in cost of work
- Limits should be tied to inflation. Erosion of authority makes some process less relevant, costing the public more in process than any potential savings.
- Maybe.
- On the low end - when to bid, minimum number of bids, etc.
- Our limit is so small because we are a small city that it makes it hard to do anything with our own forces. It would help us to determine based on available staff than statutory thresholds
- Provides maximum flexibility for how to get work done with the resources we have.
- Same as above
- Same as response above
- Same reason as above.
- Streamlined 3 quote process below thresholds by policy
- There would be a time savings.
- We do not have that many projects but with an increase in bidding thresholds it would be a benefit to not needing formal bids.
- We do some much work in-house it would make some difference, but not a large benefit.
- We have a \$0 threshold for Public Works
- We normally bid below thresholds, but there are some instances where a higher threshold would allow us to be more responsive and take advantage of certain situations that happen infrequently.
- We still get individual quotes but don't necessarily need a bid bond. We do need a payment and performance bond in all cases.
- With prices going up for labor & materials yearly, increasing to higher thresholds ensures we can transact efficiently with what the market is dictating.
- Work would be completed quicker but potential impact to vendor pool and equitable distribution of funds.
- Yes, smaller jobs typically need to be performed quicker.

- Our thresholds for formal bid are set per RCW. Increasing them would reduce admin. Effort.
- Small benefit because our small projects rarely reach the threshold.
- There is work we are qualified and able to complete that we cannot do in house. We would like the option as this helps our crew be cross trained and better prepared for an emergency.
- We are extremely small operating on a limited tax budget with part-time personnel. Under the current RCW, all port districts MUST competitively bid public works projects. We are so remote , rarely, if anyone responds. Our projects often go on for years because of this.
- As above --more local contractors would be willing to bid which then goes back into our local community.
- Same as the previous above reason.
- Yes it would benefit us because right now as a Port District we do not have a minimum threshold we work from. Our threshold starts at zero so anything small has to be bid out.
- any increase would provide a benefit however it would be small as we do not bid out very many projects that are below the small works threshold.

No Benefit

- Essentially the same process is used if SWR or below SWR threshold.
- same reason as above
- Same.
- STA's procurement policy is dictated by thresholds that FTA requires therefore I see little to no benefit from the state changing theirs as we would be held to the more restrictive FTA thresholds.
- The bid process, through the eyes of a very small city, is anathema...we'd do almost anything to avoid it.
- They are adequate with the use of job order contracting
- We don't have jobs that reach that level
- We don't have statutory limits. I also don't think that our Executive Director or our Board of Directors would be comfortable with raising the thresholds.
- We recently increased to follow Pierce County. We are happy with our current thresholds.
- No benefit because we generally work well under the limits as they are.
- We do not need an increase
- The current thresholds are working for us.

Unsure

- Again, not sure if Council would be comfortable with giving staff approving authority of contracts over \$350K
- Again, our counsel's reluctance to allow us to use statutory bid limits and limiting us to the bid limits in our 2008 ordinance.
- For the projects we do, the current limits seem to be working fine.
- I don't understand the term, "statutory bidding thresholds"
- The City would need a policy change to use it.
- We use the FTA standards as established by OFM and published in 2 CFR 200.