

SWR Changes & Dollar Threshold Consistency SHB 1328

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Municipal Research & Services Center of Washington

Small Works Rosters

Are Not New.
They've been used
in Washington State
since 1982.

Summary of Small Works Roster Statutes



Year	State	Statute	Limit	Local Governments	Statute	Limit	Comments (Note: Limits checked only for cities and counties.)
1981		None			None		
1982	Yes	39.04.150	\$ 25,000	No	None	N/A	Only General Admin., Fisheries, Game and Park and Recreation Departments.
1983	Yes	39.04.150	\$ 25,000	No	None	N/A	Same 4 agencies
1984	Yes	39.04.150	\$ 25,000	No	None	N/A	Same 4 agencies
1985	Yes	39.04.150	\$ 25,000	No	None	N/A	Same 4 agencies
1986	Yes	39.04.150	\$ 25,000	No	None	N/A	Same 4 agencies
1987	Yes	39.04.150	\$ 50,000	No	None	N/A	Same 4 agencies
1988	Yes	39.04.150	\$ 50,000	No	None	N/A	Same 4 agencies
1989	Yes	39.04.150	\$ 50,000	No	None	N/A	Same 4 agencies
1990	Yes	39.04.150	\$ 50,000	No	None	N/A	Same 4 agencies
1991	Yes	39.04.150	\$ 50,000	Counties	39.04.155	\$ 100,000	Same 4 agencies & Counties
1992	Yes	39.04.150	\$ 50,000	Counties	39.04.155	\$ 100,000	Same 4 agencies & Counties
1993	Yes	39.04.150	\$ 50,000	As Authorized	39.04.155	\$ 100,000	Same 4 agencies & authorized municipalities.
1994	Yes	39.04.150	\$ 100,000	As Authorized	39.04.155	\$ 100,000	Same 4 agencies & authorized municipalities.
1995	Yes	39.04.150	\$ 100,000	As Authorized	39.04.155	\$ 100,000	Same 4 agencies & authorized municipalities.
1996	Yes	39.04.150	\$ 100,000	As Authorized	39.04.155	\$ 100,000	Same 4 agencies & authorized municipalities.
1997	Yes	39.04.150	\$ 100,000	As Authorized	39.04.155	\$ 100,000	Same 4 agencies & authorized municipalities.
1998	Yes	39.04.150	\$ 100,000	As Authorized	39.04.155	\$ 100,000	Same 4 agencies & authorized municipalities.
1999	Yes	39.04.150	\$ 100,000	As Authorized	39.04.155	\$ 100,000	Authorized agencies & municipalities.
2000	As Authorized	39.04.155	\$ 200,000	As Authorized	39.04.155	\$ 200,000	Authorized agencies & municipalities.
2001	As Authorized	39.04.155	\$ 200,000	As Authorized	39.04.155	\$ 200,000	Authorized agencies & municipalities. Also adds limited public works projects.
2002	As Authorized	39.04.155	\$ 200,000	As Authorized	39.04.155	\$ 200,000	Authorized agencies & municipalities. Also adds limited public works projects.
2003	As Authorized	39.04.155	\$ 200,000	As Authorized	39.04.155	\$ 200,000	Authorized agencies & municipalities. Also adds limited public works projects.
2007	As Authorized	39.04.155	\$ 200,000	As Authorized	39.04.155	\$ 200,000	Authorized agencies & municipalities. Also adds limited public works projects. In 2007, optional small business procedures authorized.

Public Works Bid Limit Summary

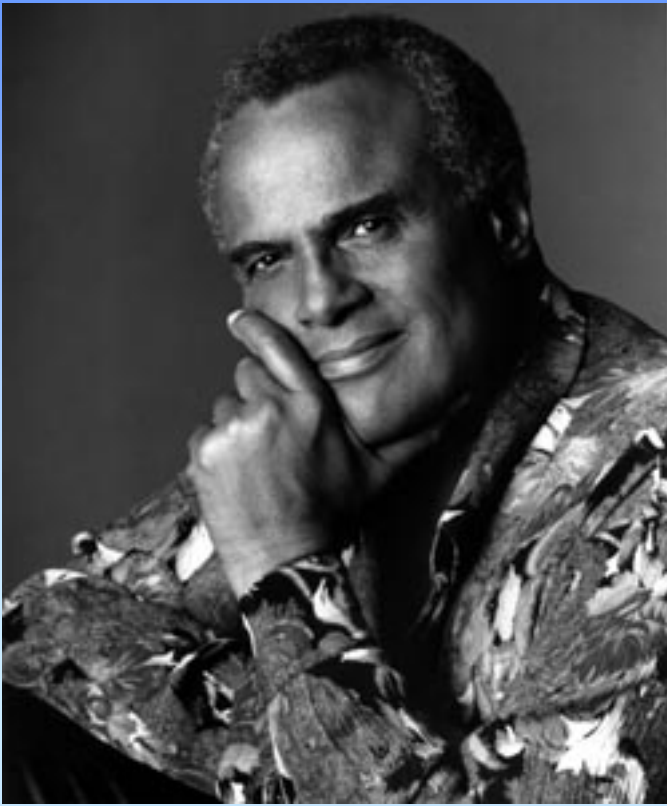
	Bid Advertisement Required	Formal Public Bid Opening Required	Bidding Open To:
Bids: \$200,000 and Over	Yes	Yes	All Registered Contractors
Quotes: Bid Limits to \$200.000 (if SWR is Used)	No	No	Registered Contractors on SWR
Quotes: Below Bid Limits	No	No	Selected Registered Contractors

		Bid Limits	
		Single Craft	Multiple Crafts
Cities and Towns			
	First Class City Over 150,000	\$35,000 (1)	\$70,000 (1)
	First Class City Under 150,000	\$30,000 (1)	\$50,000 (1)
	Code City Over 20,000	\$30,000 (1)	\$50,000 (1)
	Code City Under 20,000	\$30,000 (2)	\$45,000 (2)
	2nd Class City & Towns	\$30,000 (2)	\$45,000 (2)
Counties			
	Over 1 M w/ Purchasing Department	\$25,000 (3) (4)	\$70,000 (3) (4)
	Under 1 M w/ Purchasing Department	\$10,000 (4)	\$10,000 (4)
	Under 1 M w/o Purchasing Department	\$10,000 (4)	\$10,000 (4)
Water & Sewer Districts (Title 57 RCW)		\$10,000	\$10,000
Fire Districts (Title 52 RCW)		\$2,500	\$2,500
Port Districts (Title 53 RCW)		> \$40,000, but see RCW 53.08.135.	
Public Utility Districts (Title 54 RCW)		See RCW 54.04.070 & 54.04.082	
Public Hospital Districts (Ch. 70.44 RCW)		\$50,000	\$50,000
Housing Authorities (Ch. 35.82 RCW)		??	??
School Districts (RCW 28A.335.190)		\$40,000	\$40,000
Metropolitan Park Districts [Ch. 35.61 RCW]		\$5,000	\$5,000

**Public
Works
Bid
Limits**

Notes:

- 1) RCW 35.22.620(2) further limits the dollar value of public works performed by city employees or day labor to ten (10) percent of the total public works construction budget in a given budget period. Work performed within a city by county employees under an interlocal agreement is to be included in this line.
- 2) Note 1 does not apply.
- 3) Also subject to annual limit of 10% of public works construction budget (RCW 36.32.235).
- 4) Also subject to day labor limitations for road funds under RCW 36.77.065



Blaine wants to contract with H. Belafonte, Ltd., to build a gazebo estimated to cost \$32,750. As Belafonte has done great work for the city before, you want to waive bonding and retainage requirements. Can you? If so, under what circumstances?

If the estimated project cost is less than \$35,000, an agency can use the limited public works projects procedures in RCW 39.04.155(3).

Calypso Moment



Limited Public Works Process

- RCW 39.04.155(3) allows authorized local governments to use a 'limited public works projects,' process for contracts with an estimated cost of less than \$35,000.
- A local government may waive the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW.
- They assume liability for the contractor's nonpayment of laborers, mechanics, subcontractors, materialmen, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor.
- However the local government has the right of recovery against the contractor for any payments made on the contractor's behalf.

Limited Public Works Process

- To use this limited public works process an authorized local government must solicit electronic or written quotations from a minimum of three contractors from the appropriate small works roster and award the contract to the lowest responsible bidder.
 - [If there are less than three contractors on the appropriate roster (category), there is no need to solicit others until three are found.]
- After an award is made, the quotations are to be open to public inspection and available by electronic request.

Limited Public Works Process

- The agency is to attempt to distribute opportunities for limited public works projects equitably among contractors willing to perform in the geographic area of the work.
- The local government must maintain a list of the contractors contacted and the contracts awarded during the previous twenty-four months under the limited public works process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded.

Limited Public Works Process

- SHB 1328, Chapter 210, Laws of 2007 added these provisions:
 - 5)(a) A state agency or authorized local government may use the limited public works process of subsection (3) of this section to solicit and award small works roster contracts to small businesses that are registered contractors with gross revenues under one million dollars annually as reported on their federal tax return.
 - (5)(b) A state agency or authorized local government may adopt additional procedures to encourage small businesses that are registered contractors with gross revenues under two hundred fifty thousand dollars annually as reported on their federal tax returns to submit quotations or bids on small works roster contracts.

MRSC Project Closure/Retainage Release Guidelines (Revised 09/09/04)

Contract Amount	Require in Contract		Needed for Project Closeout Files (Before Releasing Retainage)		
	Performance and Payment Bonds	Retainage	Sales and/or Use Taxes	Prevailing Wages & Industrial Insurance	Employment Security Taxes
Over \$ 35,000	Yes	Yes	Notice of Completion and D.O.R. Release	Intent and Affidavit Check Prem. Status	Certificate of Payment
\$35,000 or less Limited PW Process	Can Waive	Can Waive	Notice of Completion and D.O.R. Release	Intent and Affidavit Check Prem. Status	Certificate of Payment
\$25,000 or less	Can Waive	50% Retainage	Notice of Completion and D.O.R. Release	Intent and Affidavit Check Prem. Status	Certificate of Payment
\$20,000 or less	Can Waive	50% Retainage	Not Required	Intent and Affidavit Check Prem. Status	Not Required
\$ 2,500 or less	Not Needed	Not Needed	Not Required	Small Works Form	Not Required

MRSC Project Closure/Retainage Release Guidelines (Effective 07/22/07)

Contract Amount	Require in Contract		Needed for Project Closeout Files (Before Releasing Retainage)		
	Performance and Payment Bonds	Retainage	Sales and/or Use Taxes	Prevailing Wages & Industrial Insurance	Employment Security Taxes
Over \$ 35,000	Yes	Yes	Notice of Completion and D.O.R. Release	Intent and Affidavit Check Prem. Status	Certificate of Payment
\$35,000 or less Limited PW Process	Can Waive	Can Waive	Not Required	Intent and Affidavit Check Prem. Status	Certificate of Payment
\$35,000 or less	Can Waive	50% Retainage	Not Required	Intent and Affidavit Check Prem. Status	Certificate of Payment
\$ 2,500 or less	Not Needed	Not Needed	Not Required	Small Works Form	Not Required

Bid/Quote Scenarios for Projects Less than \$35,000

- **Scenario One – No Small Works Roster (SWR) & Below Bid Limits for the Agency**
 - Agency may select (registered) contractors in any way approved by commission/council.
 - No Notice of Completion to Department of Revenue required (RCW 60.28.050, revised in 2007)
 - At contractor's option, a public entity may, in lieu of a performance and payment bond, retain fifty percent of the contract amount for a period of thirty days after date of final acceptance
 - Otherwise, agency must require performance and payment bond and withhold retainage.
 - Intents and affidavits for prevailing wages must be approved by L&I.

Bid/Quote Scenarios for Projects Less than \$35,000

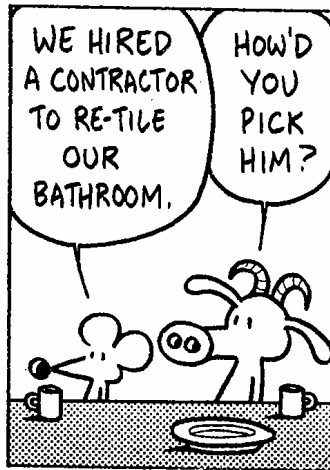
- **Scenario Two - Agency Uses Small Works Roster (SWR)**
 - Agency must solicit quotes from (registered) contractors on its SWR.
 - No Notice of Completion to Department of Revenue required (RCW 60.28.050, revised in 2007)
 - At contractor's option, "a public entity may, in lieu of a performance and payment bond, retain fifty percent of the contract amount for a period of thirty days after date of final acceptance, (RCW 39.08.010, revised in 2007)
 - Otherwise, agency must require performance and payment bond and withhold retainage.
 - Intents and affidavits for prevailing wages must be approved by L&I.

Bid/Quote Scenarios for Projects Less than \$35,000

- **Scenario Three - Agency has Small Works Roster (SWR) & Uses Limited Public Works Process (LPWP) RCW 39.04.155(3)**
 - Agency must solicit quotes from three (registered) contractors on its SWR.
 - No Notice of Completion to Department of Revenue required (RCW 60.28.050, revised in 2007)
 - Agency may waive performance and payment bond and retainage requirements.
 - **OR**, if it does not waive performance and payment bond and retainage requirements: at the contractor's option, "a public entity may, in lieu of a performance and payment bond, retain fifty percent of the contract amount for a period of thirty days after date of final acceptance, (RCW 39.08.010, revised in 2007)
 - Otherwise, agency must require performance and payment bond and withhold retainage.
 - Intents and affidavits for prevailing wages must be approved by L&I.
 - **OR** Use the combined intent and affidavit procedure under RCW 39.12.040 (2) (revised in 2007).

Don't let this be your SWR Experience!!

PEARLS BEFORE SWINE



WELL, I CALLED SIXTY GUYS. EIGHT OF THEM CALLED ME BACK.

I MADE APPOINTMENTS WITH THE EIGHT. ONLY ONE OF THEM SHOWED UP, AND HE WAS THREE HOURS LATE. BUT BY VIRTUE OF HIS JUST SHOWING UP, HE GOT THE JOB, FOR WHICH I GAVE HIM AN EIGHT HUNDRED DOLLAR DEPOSIT.

AND HOW'D THE WORK TURN OUT?

I NEVER HEARD FROM HIM AGAIN.

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