

## Rock and Roll Moment

Late Friday afternoon, Paul McCartney, your Sewer Superintendent, reports a serious sewer main break on Penny Lane. It needs to be fixed immediately to protect the Yellow Submarine deli and other businesses from obvious health threats. The estimated cost, including applicable sales and use taxes, is \$34,999. (What if the estimated cost is \$205,000?) Led Zeppelin Construction (LZC) and his utility subcontractor, Gary Puckett, are working nearby on a private project and are willing and able to help.

*Even though LZC is close, you may want to see if there are contractors on your SWR who can mobilize almost as fast, as they may already have insurance certificates, etc. on file.*

What things do not need to happen before LZC begins work?

*No contract document set, no advertisement, no bid opening, no formal award, etc.*

Do you need to get quotes or bids before they start?

*No, although it is a good idea to get agreement as to a general plan of work before the contractor starts. Material sources and costs should be identified, so there are no surprises when the bills come due. If time allows, unit prices for completed major blocks of work should be negotiated.*

If not, does Paul know how track and pay for force account work?

*If force account work is the only practical way to proceed get the contractor to agree to use Section 109.6 of the current edition of the Standard Specifications (SS) for Road, Bridge and Municipal Construction (WSDOT/APWA).*

Should you have a contract in place beforehand?

*Try to have a standard, short form contract readily available, but a fully executed contract is not needed before the contractor starts work.*

Do you need a performance and payment bond?

*Theoretically, yes. Practically, no.*

How soon do you need a certificate of insurance naming the City as additional insured?

*ASAP, but practically speaking as soon as the contractor's insurance carrier can get it to you.*

How much insurance do you need?

*If your agency does not have standard insurance requirements, Section 1-07.18 (APWA Supplement) of the SS can be used.*

Do prevailing wages apply?

*YES!*

When do you tell them that prevailing wages need to be paid and how much?

*Before they start work. Download prevailing wages for anticipated worker classifications from L&I Web site.*

Can they start work without an approved Intent to Pay prevailing wages?

*Yes, but they can't be paid until your agency receives an approved Intent to Pay form from L&I.*

Do you need to withhold retainage?

*Yes, if the project takes longer than one of your agency's normal payment cycles. If not, and you are satisfied that all material suppliers have been paid for and an approved Affidavit of Wages Paid is on file, then you can pay the full amount due.*

Do you need to notify the Department of Revenue?

*At project completion, and if the contract is over \$20,000 (\$35,000 after July 22, 2007).*

What action, and when, does your Council/Commission need to take in regard to this project?

*RCW 39.04.280(2)(b) says: "If an emergency exists, the person or persons designated by the governing body of the municipality to act in the event of an emergency may declare an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the municipality to address the emergency situation. If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the governing body or its designee and duly entered of record no later than two weeks following the award of the contract."*