

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

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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	35.61.135	\$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.

Current Suggested Thresholds:

Upon changes to 39.04.155, the recommendation is that this is the governing statute statewide to include:

- All government types that are currently subject to these requirements automatically update thresholds to be consistent with this statute (Examples: see above – Irrigation Districts and Port districts statute language would automatically increase with the Small Works Roster threshold to be consistent with all other government types, Fire District bid threshold would automatically increase with the language as shown below)
- Any government type who currently exceeds the thresholds as listed in the recommendation below would remain at their current level of authority.

Current Suggested Thresholds (continued...):

	Threshold	Competition Requirement	Retainage Requirement	Bond Requirement	Intent/Affidavit Requirement	Labor & Industries Data
Limited Public Works	< \$50,000	Allow public owners to select without competition OR request quotes at their discretion	Retain/Allow current option of waiver of retainage	Retain/Allow current option of waiver of bonds	Allow for combined intent/affidavit forms per 39.12.040	Approximately 77,000 projects
Small Works	\$50,000 - \$150,000	Small Works Roster Process - 1) Invite Quotes from All or 2) Allow for short list	Public Owners allowed the option to assess risk and determine waiver of retainage (NOTE: training needs for those public owners who don't realize protection coverage is then their responsibility)	Allow 10% retainage in lieu of Bond	Individual Intent/Affidavits Required	Approximately 5,600 projects
	\$150,000 – \$350,000	Small Works Roster Process - 1) Invite Quotes from all Contractors on Rosters	5% Retainage Required	Performance & Payment Bond Required	Individual Intent/Affidavits Required	Approximately 3,300 projects

Labor & Industries Data - # of projects at certain threshold amounts:

0-50K	77,037	84.77%
50K-100K	3837	4.22%
100K-150K	1767	1.94%
150K-200K	1194	1.31%
200K-250K	853	0.94%
250K-300K	679	0.75%
300K-350K	615	0.68%
350K-400K	429	0.47%
400K-450K	361	0.40%

Raising Threshold above \$350,000?

A lot of overlap between different work groups – We can revisit and discuss the possibility of raising the overall small works threshold to \$400,000 or \$500,000 but only if correct controls are in place and it can be done equitably.

Two-tier systems

No consensus yet – discussion may continue after July 8 meeting depending on the outcome of that meeting

- What is the issue we are working to resolve with a two-tier system?
 - There is a suggestion that certain owners be given a higher bid threshold than others as they all have different experience, ownership/accountability.
 - There is a suggestion that by streamlining the process and thresholds (as suggested above) some of the issue may be resolved – and in addition, training, ownership and accountability need to be addressed.