



# **Small Works Roster Program**

## **Tacoma Municipal Code (TMC) 10.27**

City of Tacoma | Finance Department

**Economic Development Council**

**April 10, 2018**

**ITEM #**





# OVERVIEW



- Update the Small Works Roster Program and proposed revisions to TMC 10.27
  - Consistent with Washington State Law (RCW)
- Provide program incentives for City of Tacoma Small Business Enterprise contractors



# OVERVIEW



## Small Works Roster Program (SWR)

- Expedited Bid Process for small public works and improvements (construction) projects
- Limited to pre-registered contractors for specific categories of work

## Small Business Enterprise Program (SBE)

- Increase number of small businesses on City-funded goods, services, and construction contracts
- Focus on prime contractors, subcontractors, and businesses. Not labor or employees.



# BACKGROUND



- RCW 39.04.155
  - Expedited procurement on contracts \$300,000 or less
- RCW 39.08.010
  - Allows bonds to be waived on contracts of \$150,000 or less
- TMC 10.27
  - Expedited procurement on contracts \$200,000 or less
  - Allows bonds to be waived on contracts of \$100,000 or less
  - Provides prompt payment benefits for Contractors with annual revenues below \$250,000 on contracts \$100,000 or less



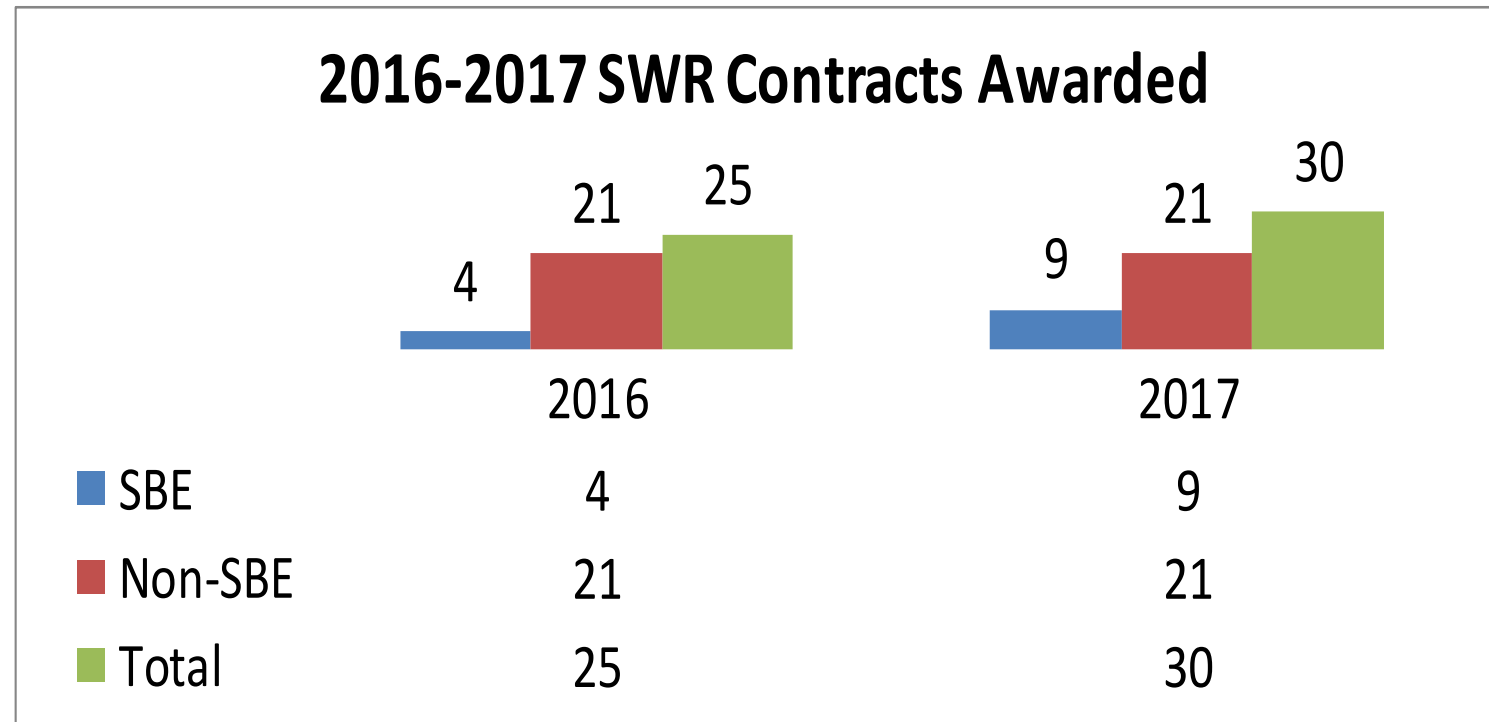
# BACKGROUND

- Contractors pre-register for 39 specific categories of work (NAICS codes).
  - Quick turn projects
  - More informal in nature
  - Typically Single trade
  - Solicitations are sent to approved SWR contractors only.
- Highway, Street, & Bridge Construction
    - Asphalt & Concrete
  - Site Preparation
    - Demolition
  - Plumbing, Heating, & Air Conditioning
  - Roofing
  - Other

# BACKGROUND



- Currently 80 Contractors registered in SWR program
  - Only 12 are SBE Contractors





# ISSUES



- Contract threshold and Bond waiver allowances are not consistent with current Washington State Law or other local agencies
- No SBE preference in contract award
- No incentive for City SBEs to register on the roster and participate in the program
- SBE(s) compete with larger contractors registered on the Small Works Roster

RCW 39.04.155

RCW 39.08.010

- Current threshold \$300,000
- Bond waivers up to \$150,000

TMC 10.27

TMC 1.06

- Threshold \$200,000
- Bond waivers up to \$100,000
- \$200,000 Governing Body Threshold



# PROPOSED REVISIONS



- **City Code Chapter 10.27, Small Public Works Contracts**
- Amends Article 10.27.010 and 10.27.030
  - Increase threshold from \$200,000 to the threshold established in RCW 39.04.155 (currently \$300,000)
  - Increase threshold to waive bonding requirements from \$100,000 to the threshold established by RCW 39.08.010 (currently \$150,000);





# PROPOSED REVISIONS



- **City Code Chapter 10.27, Small Public Works Contracts**
  - Provide bid evaluation credit consistent with TMC 1.07 for SBE(s) registered on the Small Works Roster (currently 5%);
  - Increase threshold for prompt payment benefits to Small Works Roster contractors with annual revenues below \$300,000 (up from \$250,000)
  - Waive governing body approval requirements of TMC 1.06.268.B for SWR contracts;



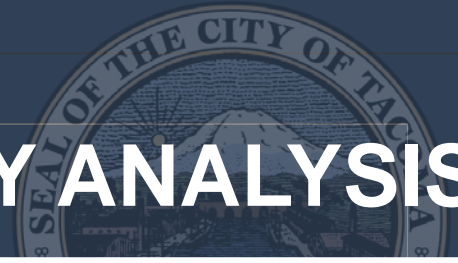
# ●●● EXPECTED BENEFITS

Utilizes maximum thresholds established by RCW

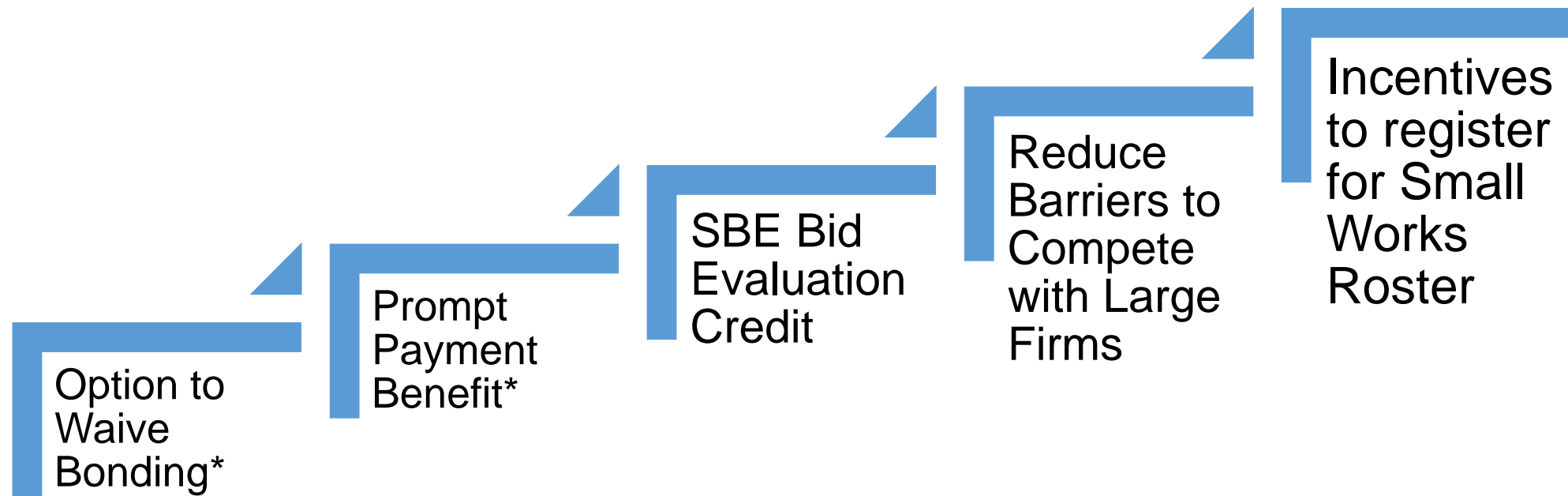
Improves consistency between local agencies

Waiving governing body approval for SWR contracts preserves expedited contracting process

# ● ● ● HEALTH, EQUITY & SUSTAINABILITY ANALYSIS



## SMALL BUSINESS ENTERPRISE EXPECTED BENEFITS



\*For Qualified SBE's



# NEXT STEPS



- Council Committee Review – April 10, 2018
- Tacoma Public Utilities Management – April 24, 2018
- Public Utility Board Study Session – June 13, 2018
- Public Utility Board – June 13, 2018
- City Council Consideration – June 19, 2018
- Ordination Effective – June 29, 2018



# RECOMMENDATIONS



- Staff recommends the Economic Development Committee forward the following to City Council for consideration and approval
- Adoption of Small Works Roster Code Revisions
- Amendment of TMC 10.27.010 & 10.27.030



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## **TMC 10.27**

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