

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Finance and Administrative Services	Adrian Matanza	Lorine Cheung

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to public works contracts; amending provisions of the small works roster and contractor bond processes to align with state law; and amending Sections 20.40.020 and 20.48.010 of the Seattle Municipal Code.

Summary and Background of the Legislation: Public works contracting in the State of Washington is governed by State law. In 2023, the State Legislature revised the laws regarding the small works roster program, which also included changes to contract bonding requirements for these small public works projects. The program went into effect in July of 2024. The small works roster program applies to small public works contracts estimated to cost below \$350,000 with a new Direct Contracting option available for small works roster projects estimated below \$150,000.

This legislation is primarily technical in nature as the City has existing municipal code authorizing a small works roster program as well as requiring contract bonding for its public works projects. This legislation updates this existing code by updating references to statutory provisions that have been repealed and replaced with the new small works roster provisions, including contract bonding allowances for small public works projects.

The proposed legislation updates City municipal code to reference the new State small works roster statutory citations. This includes the authorization to contract with the Municipal Research Services Center to administer the newly created statewide small works roster program.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? ☒ Yes ☐ No

Expenditure Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Expenditure Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.
		\$1,200	\$1,200	\$1,200	\$1,200

Revenue Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Revenue Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.
			\$1,200	\$1,200	\$1,200

Number of Positions	2025	2026 est.	2027 est.	2028 est.	2029 est.
Total FTE Change	2025	2026 est.	2027 est.	2028 est.	2029 est.

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

☐ This legislation adds, changes, or deletes revenues or reimbursements.

3.c. Positions

☐ This legislation adds, changes, or deletes positions.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

This has an on-going cost of \$1200 that will be billed out through FAS allocations to all City Departments. The ongoing cost is to contract with Municipal Research Services Center to utilize a software platform to administer the small works roster program.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

These can be absorbed in the first year of legislation but will be added into the FAS allocation in future years.

Please describe any financial costs or other impacts of *not* implementing the legislation.

The City would not be able to move forward in developing a small works roster program for its small public works projects, which would be in conflict with the expressed interest specified in the Mayor's Executive Order 2023-07, Section 5.

Please describe how this legislation may affect any City departments other than the originating department.

With FAS as the centralized administrator of public works contracting for the City, FAS anticipates minimal impact to other City capital departments as their public works responsibilities will remain primarily the same with a few exceptions. For instance, other City departments will use different solicitation templates in drafting the solicitation materials for a small works roster public works project. FAS will provide these templates to departments after determining the small works roster is the appropriate contracting option.

Additionally, FAS will work with departments to project potential use of the small works roster as part of the annual development of their WMBE goals.

FAS anticipates no impact to City employees performing construction work resulting from the small works roster program. There are stringent requirements the City complies with regarding public works performed by City employees under State law, RCW 35.22.620. In addition, the City has its own Contracting Out policies in place that each department must comply with prior to contracting out for the services. FAS will collaborate with City capital departments in developing the procedures for use of the small works roster and the procedure resulting from this collaboration will address the statutory and Contracting Out requirements.

4. OTHER IMPLICATIONS

- a. Is a public hearing required for this legislation? No**
- b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation? Yes**
- c. Does this legislation affect a piece of property? No**
- d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**
 - i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

Developing and implementing a small works roster program is in direct alignment with the *Mayor's Executive Order 2023-07: Equity and Opportunity in City*

Contracting. While the City's change is technical in nature, FAS believes participating in the State developed effort will have a positive impact on the referenced communities. This conclusion is based on the information developed and promoted by the State legislature in revising the small works roster program requirements, including but not limited to the following Intent note following RCW 39.04.010:

NEW SECTION. Sec. 1. The legislature finds the need to increase equity and efficiencies in public works procurement. The legislature further finds that small, minority, women, and veteran-owned businesses are essential to a robust and high-functioning economy, which provides high quality living wage jobs throughout the state. The legislature further finds that public works contracting agencies need a streamlined and effective method for delivering small public works projects while protecting worker rights. Therefore, the legislature intends to provide a small business definition, best practices to be included in inclusion plans, and to update and revise the small and limited works roster process to increase administrative efficiency, to encourage greater participation and utilization by small, minority, women, and veteran-owned businesses, and continue to protect the rights of workers engaging in public works projects." [2023 c 395 s 1.]

By implementing a program consistent with state law, the City will be able to utilize the new small works roster Direct Contracting processing option which aligns with the City's contracting equity and opportunity values. The Direct Contracting option allows the agency to contract directly with a single roster firm meeting the small, minority, women, or veteran-owned business eligibility requirements for small works roster projects estimated to cost below \$150,000 (For projects above \$150,000 to \$350,000, the City will solicit to all firms in the respective small works roster categories.)

It is the City's intent to provide more prime contracting opportunities to small, minority, women, and veteran's owned businesses using the Direct Contracting roster option. Use of this Direct Contracting option will require compliance with the new race and gender-neutral public works small business certification requirements managed by the State of Washington Office of Minority & Women's Business Enterprises (OMWBE). This certification requirement may be a new requirement for many of the firms interested in doing business with the City. FAS will engage with the contracting community as part of program development to assess the impact of the new certification requirements, including but not limited to soliciting input from the City's WMBE Advisory Committee and Tabor 100.

The impact to City programs is also beneficial as developing a small works roster program will provide additional contracting methods for procuring City public works projects. The use of the statewide roster system through the Municipal Research Services Center should also improve contractor access to these smaller projects.

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.

iii. What is the Language Access Plan for any communications to the public?

FAS intends to apply the following in its communications to the public, including:

- Send notice to the contracting community via the City's Online Business Directory
- Post notice on the City's FAS Purchasing and Contracting external website, which includes the ability for the webpage content to be translated through Google Translate
- Post notice on City solicitation platform OpenGov
- Publish notice of City's adoption of the statewide small works roster through Municipal Research Services Center, Daily Journal of Commerce
- Publicize and conduct community outreach events and present on City adoption of small works roster program, including but not limited to our Regional Contracting Forum, Reverse Vendor Trade Show, our First Friday monthly events as well as the community events FAS participates in, such as Tabor 100 monthly meetings, NAMC. We will also work with the City's Technical Assistance Services Providers on outreach and communication

While the plan is not in-language, access to the translation services will be provided through language line and assistance with in-language staff, when necessary.

e. Climate Change Implications

i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.

Not applicable

ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

Not applicable

f. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?

The Mayor's Executive Order, 2023-07, Equity and Opportunity in City Contracting specified that FAS shall lead the City in identifying and evaluating the impact of potential changes to procurement and public works policies that could improve equity in City contracting. Areas of exploration included small works roster development and bonding

requirements. As a result, by adopting this legislation, the City will have another contracting tool at its disposal that is in alignment with its contracting equity goals as recently reiterated in this Executive Order. On a long-term basis, FAS will work with other City capital departments to increase utilization of the Direct Contracting Option for small works roster projects under \$150,000, along with use of the additional bonding requirements with the goal of increasing prime contracting opportunities for small or women and minority businesses. In addition to using existing WMBE reporting for tracking participation, FAS will be able to report on roster utilization, including small business/WMBE utilization via the statewide roster reporting tools.

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization? No**

5. ATTACHMENTS

Summary Attachments: None.