



**Handout for Contractors Working for the City**  
*Projects under \$50,000*

**1. Prevailing wage** applies to any public work or maintenance job, no matter how small, performed for the City. You must have a Statement of Intent to Pay Prevailing Wages approved by the Department of Labor and Industries (L&I) before you receive your first payment. It costs \$40 to file an Intent and \$40 to file an Affidavit of Wages Paid. If the project total is \$2,500 or less (including all materials, equipment, and taxes), the City can provide a Combined Intent and Affidavit of Wages Paid form for you to fill out, sign, and turn in to the City. We will complete the rest of the form and send it to L&I. There is no charge.

If you are an owner/operator and have no other employees working on this job or have no more than two other partners working on this job, you are exempt from paying prevailing wage, but you still must file an Intent and an Affidavit. However, an owner/operator can file an Affidavit without paying a fee if no employees performed work on the project.

The fastest way to receive an approved Intent or Affidavit is to file online. You may open an account and file online at <https://lni.wa.gov/licensing-permits/public-works-projects/contractors-employers/contractor-portal>

**2. Before you submit a project estimate**, you must have a current certificate of registration as a contractor in compliance with Chapter 18.27 RCW, which must have been in effect at the time of quote submittal.

**3. Before contract award you must meet all requirements in RCW 39.04.350, including:**

- a. Have a current Washington Unified Business Identifier (UBI) number;
- b. Have industrial insurance (workers' compensation) coverage for your employees working in Washington;
- c. Have a Washington Employment Security Department number;
- d. Have a Washington Department of Revenue state excise tax registration number;
- e. Not be disqualified from bidding on any public works contract;
- f. Have received training approved by L&I on the requirements related to public works and prevailing wage or have completed three or more public works projects and have had a valid business license in Washington for three or more years

**4. A Port Townsend business license** is required by any company doing business with the City, even if the work takes place outside City limits. You will not receive your first payment until you have this license endorsement. To add Port Townsend to your State license, go to the Washington State Department of Revenue website: <http://bls.dor.wa.gov/change.aspx>.

**5. W-9** – The City is mandated by the Internal Revenue Service to maintain current completed W-9 forms for all payees. You must submit this form to the City in order to receive payment.

**6. Mandatory Insurance Requirements.** All contractors working for the City must have, at a minimum:

- a. Automobile liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
- b. Commercial general liability insurance with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, and a \$2,000,000 products-completed operations aggregate limit.

There are circumstances when the insurance limits can be reduced. This is done on a case-by-case basis at the discretion of the City Manager or designee. It is based on the amount of risk created by the work, not necessarily by the size of the project.

**7. Rosters.** The City chooses contractors from the MRSC shared Small Works Roster. You may sign up for the roster at <http://www.mrscrosters.org>. You will need to provide information such as contractor's license number, industrial insurance number, UBI number, and any bond or insurance information.

**8. A Performance Bond and a Payment Bond** are required for all public works projects. For projects awarded through the limited small works process, these bonds may be waived by the City at its discretion. The staff member who requests quotes should tell you before you submit your estimate if bonds will be required.

If bonds are required and the project is under \$150,000, you may choose the 10% retainage in lieu of bonds option. The retained funds are held for 30 days after project closeout and until required releases are received from State departments.

**9. Retainage.** The City will hold in trust 5% the funds from all invoices until you have completed the project, the City has issued final acceptance of the work, and L&I has approved your Affidavit of Wages Paid. Alternatively, you may post a retainage bond. For projects awarded through the limited small works roster process, the retainage requirement may be waived by the City at its discretion. The staff member who requests quotes should tell you before you submit your estimate whether retainage will be held.

**10. Getting Paid.** Before you submit your first invoice, make sure you have an approved Intent to Pay Prevailing Wage, a current Port Townsend business license, and a W-9 on file with the City. Before submitting your final invoice or requesting release of retained funds, make sure L&I has approved your Affidavit of Wages Paid.