

**WAC 399-30-030 Applications for construction and preconstruction financial assistance.** (1) Any local government in the state of Washington may apply for financial assistance to assist in financing critical public works projects.

(2) All applicants must meet the following conditions:

(a) Applicant cities and counties must be imposing a real estate excise tax under RCW 82.46.010(2) at a rate of at least one-quarter of one percent;

(b) Applicant local governments must have developed a long-term plan for financing public works needs as further described in the loan application package under "capital facilities planning."

(3) Direct costs eligible for public works financial assistance are those costs directly attributable to a specific project and include:

(a) Work done by employees of the applicant, or by other government employees under an interlocal agreement or contract limited to: Engineering, environmental review, design activities, acquisition of rights of way or property, construction inspection activities, roadway seal coating (if bids from private sector contractors have been solicited and compared with the interlocal agreement proposal), and the cleaning, sterilization, or bacteriological testing of water system components prior to public use.

(i) Salaries and wages (at actual or average rates) covering productive labor hours of the local government employees (excluding the administrative organization of the operating unit involved). The cost of services rendered by employees generally classified as administrative are considered a direct cost only when such employees are assigned for short periods of time to perform on a full-time basis the types of services described above and when similar procedures are followed;

(ii) Employee benefits relating to direct labor are considered a direct cost of construction projects. The following items may be included as employee benefits:

- (A) F.I.C.A. (Social Security) - employer's share;
- (B) Retirement benefits;
- (C) Hospital, health, dental, and other welfare insurance;
- (D) Life insurance;
- (E) Industrial and medical insurance;
- (F) Vacation;
- (G) Holiday;
- (H) Sick leave; and
- (I) Military leave and jury duty.

Employee benefits must be calculated as a percentage of direct labor dollars. The computation of predetermined percentage rates to be applied to current labor costs must be based on the average of total employee benefits and total labor costs for the prior fiscal year and adjusted by known current year variations.

(b) Contract engineering, planning, legal, and financial planning services. The board reserves the right to declare ineligible legal costs that are unreasonable and disproportionate to the project.

(c) Right of way acquisition costs including:

(i) Purchase of land and easements acquired for and devoted to the project;

(ii) Purchase of improvements;

(iii) Adjustment or reestablishment of improvements;

(iv) Salaries, expenses or fees of appraisers, negotiators or attorneys;

(v) Removal or demolition of improvement;  
(vi) Other direct costs in connection with the acquisition.  
Amounts received from the sale of excess real property or improvements and from any rentals will be reduced from the direct cost.

(d) Contract construction work.

(e) Direct vehicle and equipment charges at the actual rental cost paid for the equipment or, in the case of city or county-owned equipment, at the rental rates established by the local government's "equipment rental and revolving fund" following the methods prescribed by the division of municipal corporations. However, such costs must be charged on a uniform basis to equipment used for all projects regardless of the source of funding. Cities with a population of eight thousand or less not using type of fund are allowed the same rates as used by the department of transportation.

(f) Direct materials and supplies.

(i) An overhead rate or "loading factor" is not considered an appropriate additive to the actual cost of materials and supplies used on construction projects unless the factor is readily and properly supportable by the governmental unit's accounting records.

(ii) The cost, or reasonable estimate thereof, of materials paid for as contract estimate items, but not used, will be considered a reduction of direct costs. Any material that is salvaged in connection with a project will be assigned a reasonable value and considered a reduction of direct costs.

(iii) Wetland plants and other materials used for wetland planting, wildlife habitat, or fish habitat may be provided to a public or nonprofit organization without a reduction of direct costs.

(g) Interdepartmental charges for work performed by the local government for the benefit of specific construction projects is limited to direct costs plus an allocation of indirect costs based on ten percent of direct labor dollars, excluding employee benefits.

(h) Other direct costs incurred for materials or services acquired for a specific project are eligible for participation by public works loan or grant funds and may include, but are not limited to such items as:

(i) Public communication plans and activities;

(ii) Telephone charges;

(iii) Reproduction and photogrammetry costs;

(iv) Video and photography for project documentation;

(v) Computer usage;

(vi) Printing and advertising; and

(vii) Value engineering and performance audits.

(4) Other than work identified in subsection (3)(a) of this section, no government employee labor related costs, including force account work, are eligible for financing assistance or to be considered as local match under this chapter.

(5) Applications must be submitted on forms provided by the board for the current funding cycle.

(6) A responsible official of the applicant jurisdiction must certify each application for financial assistance. The official must also provide the board with additional materials or information in support of the application when requested by the board or its staff.

[Statutory Authority: RCW 43.155.040(5). WSR 20-04-070, § 399-30-030, filed 2/3/20, effective 3/5/20. Statutory Authority: RCW 43.155.040(4). WSR 07-05-029, § 399-30-030, filed 2/13/07, effective 3/16/07. Statutory Authority: RCW 43.155.040(5). WSR 01-09-014, §

399-30-030, filed 4/6/01, effective 5/7/01. Statutory Authority: RCW 43.155.040 (4) and (5). WSR 98-24-010, § 399-30-030, filed 11/19/98, effective 12/20/98. Statutory Authority: RCW 43.155.040(4). WSR 92-03-052, § 399-30-030, filed 1/13/92, effective 2/13/92. Statutory Authority: 1985 c 446 § 10. WSR 85-24-072 (Order 85-17), § 399-30-030, filed 12/4/85.]