Chapter 136-730 WAC
LOCAL ROADS PROGRAM—PROJECT CONTRACT, VOUCHER AND AUDIT

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WAC

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WAC 136-730-010 Purpose and authority. Chapter 36.170 RCW provides that the county road administration board shall administer the county local road program (LRP). This chapter describes the individual project contract between the county road administration board and a county (CRAB/county contract), the manner in which the county road administration board will implement the provisions related to payment of vouchers, and the provisions for audit of LRP projects.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-010, filed 3/23/26, effective 4/23/26.]

WAC 136-730-020 Notification of counties. The county road administration board shall, within 10 days of its LRP project approval meeting, notify each county having an approved project of such approval and of the amount of LRP funds allocated to each approved project. The county road administration board shall offer a contract for each such approved project setting forth the terms and conditions under which LRP funds will be provided.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-020, filed 3/23/26, effective 4/23/26.]

WAC 136-730-030 Terms of CRAB/county contract. (1) The CRAB/county contract shall include, but not be limited to, the following provisions:

(a) The contract shall be valid and binding, and the county shall be entitled to receive LRP funding in accordance with the vouchering/payment process as described in this chapter, only if the contract is properly signed and returned to the county road administration board within 60 calendar days of its transmittal by the county road administration board.

(b) The county certifies that it is in compliance with the provisions of chapter 136-700 WAC.

(c) The project will be constructed in accordance with the scope, design, and project limits as described in the prospectus and in accordance with the plans and specifications approved by the county engineer and, if applicable, the phased construction plan submitted by the county engineer to the county road administration board.

(d) The county will notify the county road administration board if:

(i) A single construction contract is intended to fully complete the project, at the time of project advertisement, construction con-

tract, and when the project has been completed. Should the small works roster process be utilized, then the initial notice must occur prior to initiating the contractor selection process.

(ii) County forces are utilized to fully complete the project, at the time of project notice, as required in RCW 36.77.070, commencement of construction activities, and when the project has been completed.

(iii) The project applies a phased construction methodology, at those times described in a phased construction plan, consistent with subsection (2) of this section.

(e) The county road administration board will reimburse counties on the basis of monthly progress payment vouchers received and approved on individual projects in the order in which they are received in the county road administration board office, subject to the availability of LRP funds apportioned; or subject to a minimum balance determined by CRAB for the purposes of cash flow; provided, however, that if insufficient LRP funds are available or the legislature fails to appropriate sufficient LRP funds, payment of vouchers may be delayed or denied. Counties are ineligible to receive LRP funded construction cost reimbursements prior to satisfaction of the initial project notice requirement described in (d) of this subsection.

(f) The county will reimburse the LRP funds in the event a project post-audit reveals ineligible expenditures of LRP funds.

(g) The county may be required to reimburse the LRP funds in the event of early termination in accordance with the provisions of chapter 136-750 WAC.

(h) The county agrees to amend the contract in cases where:

(i) Additional LRP funds have been requested and approved under chapter 136-740 WAC;

(ii) Other relief from the original scope, design, or project limits has been approved by the county road administration board under chapter 136-750 WAC; or

(iii) A project has been terminated without full LRP funds reimbursement under chapter 136-750 WAC.

(iv) The county agrees to provide periodic project development progress reports as requested by the county road administration board.

(2) Counties may implement a phased construction methodology in the completion of LRP funded projects. A phased construction methodology is described as the process to implement multiple construction contracts through competitive bid and award, contracts awarded through exercise of the small works roster process, or construction by county forces, or a combination of two or more of these three methods, in order to complete a single LRP funded project. If a county elects to use phased construction methodology, construction of at least one of the project phases must commence by the lapsing date and all remaining phases must commence within two years of commencement of the first phase. In the event the county fails to meet either of these timelines, repayment of expended LRP funds for all phases of the project will be required unless waived by the county road administration board in keeping with the provisions of this section.

(a) In order to be considered phased construction, each phase must:

(i) Be distinct, independent, and nonoverlapping construction activities as to location and type of work;

(ii) Result in separate function and utility;

(iii) Be part of related and sequential construction activities that lead to overall project completion;

(iv) Separately and collectively comply with state laws as to procurement of contract work and use of county forces.

(b) In order to satisfy notification requirement of subsection (1)(d) of this section, a phased construction plan must be developed and submitted to the county road administration board at least 15 calendar days prior to contract bid advertisement, beginning the selection process for a contractor through a small works roster process, or commencement of construction by county forces, whichever occurs first. The phased construction plan must:

(i) Include a description of each construction phase, the contracting method to be employed, or that county forces will be used;

(ii) Include an estimated cost and begin and end dates for each construction phase; and

(iii) Describe the relationship between construction phases and ultimate completion of the overall project.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-030, filed 3/23/26, effective 4/23/26.]

WAC 136-730-040 Combining CRAB/county contracts. In those cases when a county desires to combine two or more adjacent LRP funded projects into a single contract, the county, prior to advertising for the construction contract, or prior to commencing construction should any of the projects be scheduled for completion by county forces, must make a formal written request to the county road administration board to combine the projects into a single project, assuring that the original prospectus work will be accomplished as originally proposed or as previously revised by the county road administration board, regardless of the applicable maximum project LRP contribution.

Upon receipt of a letter of request to combine, and consideration and approval by the director of the county road administration board, a revised CRAB/county contract will be prepared and sent to the county for its execution and returned in the same manner as for the original contract(s). Projects shall be considered adjacent if they have a common terminus.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-040, filed 3/23/26, effective 4/23/26.]

WAC 136-730-050 Bundling of construction projects. In those cases when a county desires to bundle two or more LRP funded projects into a single construction contract, the county, prior to advertising for the construction contract, or prior to commencing construction should any of the projects be scheduled for completion by county forces, must make a formal written request to the county road administration board to bundle the projects into a single construction contract. This request must describe the benefit to bundling the projects into a single construction contract and demonstrate how the county will separately track each individual project/item cost.

Upon receipt of a letter of request to bundle funded projects for construction, a letter approving or denying the request will be prepared and sent to the county from the county road administration board executive director.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-050, filed 3/23/26, effective 4/23/26.]

WAC 136-730-060 Combining of LRP funded project with non-LRP funded project. In those cases when a county desires to combine a LRP funded project with one or more adjacent non-LRP funded projects, the county, prior to advertising for the construction contract, or prior to commencing construction should any of the projects be scheduled for completion by county forces, shall notify the county road administration board in writing of its plans to combine the projects into a single construction project, assuring in writing that the work items assigned to the LRP funded section will remain distinct and separate through the bid documents and contract plans.

Upon verification that the request is submitted in a timely manner, that the combined project will meet the conditions of the CRAB/county contract and prospectus requirements, and that LRP funded items of work will be sufficiently separated from other work, the CRAB director will respond in writing to grant the combination. Projects shall be considered adjacent if they have a common terminus.

Federally funded projects are not eligible to combine with LRP funded projects.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-060, filed 3/23/26, effective 4/23/26.]

WAC 136-730-070 Voucher form. The county road administration board shall prepare and distribute to all counties with approved LRP projects a voucher process for use in requesting progress payments and final payment for each approved LRP project.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-070, filed 3/23/26, effective 4/23/26.]

WAC 136-730-080 Voucher approval. The county constructing each LRP project may submit vouchers monthly as the work progresses and shall submit a final voucher after completion of each LRP project for the payment of the LRP share of the project cost. Each voucher shall include total project costs to date, including costs covered by other funding sources. The county shall include with each voucher sufficient documentation to verify costs. Reimbursable costs include all eligible direct costs for the design, right-of-way, and construction phases. Indirect costs including overhead and support services shared by multiple department's programs or funds such as accounting, payroll, administrative, or human resources salaries, and benefits and information technology services for the county shall not be reimbursed. The chair of the county road administration board or his/her designee shall approve such vouchers for payment to the county submitting the voucher.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-080, filed 3/23/26, effective 4/23/26.]

WAC 136-730-090 Payment of vouchers. Upon approval of each LRP project voucher by the chair of the county road administration board or his/her designee, it shall be transmitted to the state treasurer.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-090, filed 3/23/26, effective 4/23/26.]

WAC 136-730-100 Provisions for audit of LRP projects. (1) Audit provisions. LRP project audits may be conducted by the state auditor's office and will normally be conducted in conjunction with the audits of the different counties of the state as required by RCW 43.09.260 and 36.80.080. Special audits of specific LRP projects may be accomplished at the request of the county road administration board. If a special audit is conducted outside the confines of those audits required by the above statutes, then the costs of the special audit shall be the responsibility of the county road administration board.

(2) Scope of audits. The audit of any LRP project shall include, but not be limited to, the review of the county's compliance with:

(a) The provisions of the act; and

(b) The rules in Title 136 WAC regarding implementation and administration of the act, with detailed review of uses of county road taxes, application of LRP funds, and the various reporting requirements.

The audit shall also include a review of the financial accounting and reporting of those funds associated with and received for the LRP project.

(3) Noncompliance, questioned costs, and post-audit penalty. If the audit of a LRP project reveals any area of noncompliance and/or questioned costs, then such exceptions shall be subject to comment by the examiner within the audit report. In the event an exception has been noted within the audit report, it shall be the duty of the county road administration board to discuss and evaluate the noted discrepancy. Discrepancies may be cause for the county road administration board to order the payback of any LRP funds that have been expended on ineligible activities and/or withdrawal or denial of the certificate of good practice of the county in question as provided in chapter 136-04 WAC.

[Statutory Authority: RCW 36.78.070 and 36.170.010. WSR 26-08-028, s 136-730-100, filed 3/23/26, effective 4/23/26.]