

Business Equity/Diverse Business Inclusion Committee Capital Projects Advisory Review Board

17 December 2021

Committee focus:

- Comprehensive review of RCW 39.10 with the lens of equity (include RCW 39.04 & 39.80).
- Create consistency in statutory language.
- Evaluate and bring forth effective strategies and opportunities for firms to compete.

<input checked="" type="checkbox"/> Olivia Yang	Washington State University	CPARB /Committee Member
<input checked="" type="checkbox"/> Santosh Kuruvilla	Exeltech	CPARB /Committee Member
<input type="checkbox"/> Lisa Van der Lugt	OMWBE	CPARB /Committee Member
<input type="checkbox"/> Charles Wilson	DES	CPARB /Committee Member
<input checked="" type="checkbox"/> Irene Reyes	Excel Supply Company	CPARB /Committee Member
<input checked="" type="checkbox"/> Janice Zahn	Port of Seattle	CPARB /Committee Member
<input checked="" type="checkbox"/> Jackie Bayne	WSDOT OEO	Committee Member
<input type="checkbox"/> Cheryl Stewart	Inland Northwest AGC	Committee Member
<input checked="" type="checkbox"/> Chip Tull	Hoffman Construction	Committee Member
<input checked="" type="checkbox"/> Aleanna Kondelis	Akana	Committee Member
<input checked="" type="checkbox"/> Brenda Nnambi	Sound Transit	Committee Member
<input checked="" type="checkbox"/> Linda Womack	MBDA	Committee Member
<input checked="" type="checkbox"/> Cathy Robinson	City of Lynnwood	Committee Member
<input checked="" type="checkbox"/> Shelly Henderson	Mukilteo School District	Committee Member
<input checked="" type="checkbox"/> Keith Michel	Forma	Committee Member
<input checked="" type="checkbox"/> Young Sang Song	Song Consulting	Committee Member
<input checked="" type="checkbox"/> Stephanie Caldwell	Absher Construction	Committee Member
<input type="checkbox"/> Bill Dobyms	Lydig	CPARB
<input type="checkbox"/> Bobby Forch	Forch Consulting	CPARB
<input type="checkbox"/> Lily Keefe	USDOT - Northwest SBTRC	
<input type="checkbox"/> Sarah Erdman	OMWBE	
<input type="checkbox"/> Van Collins	ACEC Washington	
<input type="checkbox"/> Cathy Ridley	Exeltech	
<input checked="" type="checkbox"/> Maja Huff	Washington State University	
<input type="checkbox"/> Jerry Vanderwood	AGC of Washington	
<input type="checkbox"/> Timolin Abrom	OMWBE	
<input checked="" type="checkbox"/> Melissa Van Gorkom	Senate Committee Services	
<input type="checkbox"/> Amy Stenvall	Mukilteo School District	
<input checked="" type="checkbox"/> Cindy Magruder	University of Washington	
<input checked="" type="checkbox"/> Carrie Whitton	Forma	
<input checked="" type="checkbox"/> Rachel Murata	OMWBE	Representing Lisa Van der Lugt
<input type="checkbox"/> John Rose	MRSC	
<input checked="" type="checkbox"/> Jolene Skinner	LnI	
<input type="checkbox"/> Curt Gimmestad	Absher Construction	
<input type="checkbox"/> Eric Alozie	NEW Construction	
<input type="checkbox"/> Jerry Vanderwood	AGC	
<input type="checkbox"/> Hans Hansen	Bailey Construction	
<input type="checkbox"/> Bill Frare	DES	

AGENDA

Item	Purpose	Start
Welcome and committee member introductions	Information	10:00 am
Review & approve agenda	Action	10:05 am
Review & approve 11/19/21 meeting minutes	Action	10:10 am
Invitation to the public to participate	-	10:15 am
Survey	Discussion	10:25 am
Report Outline	Discussion	10:45 am
New Business	Discussion	11:00 am
"Final word" (from committee members)	Discussion	11:15 am

Adjourn

Action

11:30 am

DIGITAL CONFERENCE ACCESS

The committee meeting will be conducted entirely by Zoom digital conferencing.

Online <https://wsu.zoom.us/j/97615048848>

Meeting ID: 976 1504 8848

Join by telephone

Dial: US: +1 253 215 8782 or +1 669 900 9128 or +1 646 558 8656

Meeting ID: 976 1504 8848

Olivia Yang - Washington State University

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Santosh Kuruvilla – Exeltech Consulting

206 713 1241 santosh@xltech.com

Item: **Welcome and committee member introductions**

- Call to Order
- Quorum confirmed

Action by: BE/BDI Committee

Status: Approved and complete

Item: **Review & approve agenda**

- Agenda Approved.

Action by: BE/BDI Committee

Status: Approved and complete

Item: **Review & approve 11/19/21 meeting minutes**

- 11/19/21 minutes – wsdot abbreviation correction.

Action by: BE/DBI Committee

Status: Approved

Item: **Public Comment**

- None.

Action by: N/A

Status: N/A

Item: **Survey**

- Draft Survey presented and reviewed
- Due date for survey completion? Add to Survey cover letter.
- Discussed “other comments” section. Is one enough, or is
- What is the time frame from date sent out to when responses are needed?
 - Send out beginning of January
 - Comment by End of January (25th?). CPARB Meeting is February 10. Goal to receive feedback to be able to provide to the board at the February meeting.
- Avenues of outreach discussed.
- Format Feedback:

- Separate leading question from the paragraph in Question 7.
- Should “DBE” in Question 7 actually read “Diver Business” instead?
- Should Question 8 be expanded to be more of an invitation rather than simply “other comments?”
- Concerns around duplicate responses discussed. If in Survey Monkey – there is a way to weed out duplicates.
- Do we focus this on 39.10 or are we interested in all experiences in Public Works?
 - Update question 1 instead of “RCW 39.10” say “Public Works”? Clarify delivery methods?
 - Should be we more deliberate about referencing the legislation?

Action by: Olivia and Stantosh

Status: In progress

Item: **Report Outline**

- Discussion about report due to legislature due in June.
- Draft should be done during May so that CPARB can review.
- Draft Outline for the report shared on screen.
- Looking at this from the lens of how we make diverse business as first choice. And the fact that CPARB is an advisory committee.
- Thoughts, comments, reactions:
 - Multiple people appreciate the outline, from owner’s perspective and contractor’s perspective.
 - Like the idea of not duplicating work. A good way to highlight policies that do and do not apply in legislation.
 - Narrowing the focus for biggest bang for the buck.
 - Push back on section 20 calling this effort “best practices”?
 - Bonding and prompt payment have been one of the biggest topics. Offer that inclusion plans resources needs to be included?
 - Include practices and ideas about how to track and report inclusion?
 - Look back at Section 20 verbiage to be sure we are addressing everything named in the legislation.
 - When and who will be involved in the process of pulling together the report and manual.
 - If there is general consensus then potentially the following:
 - Think about report to CPARB in Feb. – Talk about outline and any modifications
 - Hoping to count on everyone’s engagement. Ask if we have thoughts about particular topics, or how the RCW could be interpreted or amended, share/socialize to come up with the report.
 - Goal should be to bring up the fact that more work needs to be done in other arenas, instead of focusing on one or two. Identify under examined categories.
 - Put the Report outline in the Teams folder for people to be able to provide comments on.
 - Come up with a good narrative, include those things that are discriminatory behaviors and practices.
 - Do we already have a solid list of who the survey will go to? Make sure that the list is as compressive as possible.
 - Be sure we are on the same page that around Best Practices/Common Practices, be sure that we are identifying the discriminatory and non- discriminatory behaviors and practices.
 - Create a movement towards actionable strategies.
 - Is the intent of the outline a formulaic manual or philosophical direction?
 - Actionable recommendation – keep it high level and simple to keep it actionable and simple.
 - Who is organizing and the report/appendix items? Keep it unfiltered but keep it consistent, succinct and concise.
 - There is no finish line. We need to be looking at ways to move the needle.
 - Be sure we have a product that will satisfy the bill – both the guideline and the recommended state lay changes. We have the latitude to create the manual that makes the most sense to this group, because the previously publish CPARB best practices manuals each look different.
 - Be cognizant of the charge of Section 20.

Action by: All committee members

Status: N/A

Item: **New Business**

- Skipped.

Action by: N/A

Status: N/A

Item: **Final Words**

- Public contracting has largely been developed around contracts awarded as lowest responsible contractors, and that perspective should be considered as we are doing the work of this committee.
- Appreciate continuing to focus and refine.
- Happy Holidays!
- We respect every opinion, and we shouldn't feel negated or discouraged when they differ.
- Appreciate the hard work of this committee and we are going to have a very helpful product at the end of this.
- Transparency is critically important in the process to have the best work product. Interested in hearing about next steps.
- Words matter and as we look at it as a group having intentionality around what we are doing, and giving grace. Maybe we can talk about where the recommendations get tested. How do we make sure our thoughts on the barriers is actually representative of the larger group. It will be fundamental to the output of the committee.
- Thank you for the open discussion and diverse perspectives.

Action by: N/A

Status: N/A

Adjourn 11:32

Chat Record from Meeting:

00:17:16 Cindy Magruder: The survey appears to be targeted at 39.1 ORCW. Will there be a definition provided so firms understand this?

00:17:46 Stephanie Caldwell: Sorry for logging on late. Stephanie Caldwell

00:26:22 Rachel Murata (she/her) OMWBE: This is in Survey Monkey, right? It has an option to disable the ability to respond more than once from the same device.

00:31:12 Brenda Nnambi: Recommend using the term "diverse" businesses rather than "DBE" since that term is tied to federal funded transportation.

00:31:48 Shelly Henderson: Have to step away for a minute

00:34:29 Aleanna Kondelis: Just to capture for the record: Can the "question" be pulled out to stand out on question 7? Did we intentionally use DBE in question 7? Can we use diverse business? On question 8 can we add more such as "additional comments on barriers, practices to combat or other issues that impact diverse business inclusion in public contracting."

00:36:13 Shelly Henderson: back

00:46:25 Jackie Bayne: Be right there!

00:46:55 Rachel Murata (she/her) OMWBE: I will be back in a few minutes.

00:51:34 Keith Michel: I have a tangible idea to help prompt payment with a slight adjustment to typical payment procedures that contracts require.

00:51:39 Stephanie Caldwell: Agreed. Prompt payment has been an issue for some time now. It would be nice to see the needle moved on that topic for our small business partners.

00:51:52 Rachel Murata (she/her) OMWBE: Back now, sorry

01:01:00 Jackie Bayne: Sorry for the absence.

01:04:45 Janice Zahn: I am back.

01:20:37 Washington MBDA Business Center: Agree w/ olivia

The survey can be viewed and explored online: <https://forms.office.com/r/xfRW2UfAhg>

Or you may review the images of each step of the survey below:

Section 1:

BE/DBI Survey Form - Draft 7

Please review all five sections.

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To: Stakeholders in Public Construction

Fr: Janice Zahn, CPARB Chair

Subject: Seeking Feedback on CPARB BE/DBI Priorities

We are reaching out to you as a stakeholder in public construction in the state of Washington. RCW 39.10 which was authorized by SB 5032 during the 2021 State Legislature asks CPARB to report back on best practices around diversity, equity and inclusion in public contracting in State of Washington.

Informed by the 2019 Washington State Disparity Study and by other disparity studies performed by public agencies in the State we have developed a few key areas for additional work.

The purpose of this letter is to ask you to complete a simple survey indicating:

- How you view your role as a stakeholder
- How you would prioritize efforts to mitigate the barriers to diverse businesses in public construction.

The actionable objective of the BE/DBI Committee is to create an environment where the use of diverse businesses is the first choice, instead of a goal to be met. Actions through that lens should then pivot around those measures needed to make the businesses successful and competitive. Components of this actionable approach would include best practices and programs that provide well rounded solutions to the barriers.

These areas are:

- Access to opportunities in public contracting
- Access to capital including firm financing, eligibility for financing, bonding
- Access to project cash flow and prompt pay issues
- Access to training and business services support
- Access to networks/ relationship opportunities

Your feedback will guide our committee in focusing on which barriers need work.

Cc:

BE/DBI Co-chairs:

Santosh Kuruvilla

Olivia Yang

BE/DBI Subcommittee Co-chairs:

Irene Reyes

Linda Womack

Aleanna Kondelis

Brenda Nnambi

Lisa Van der Lugt, Office of Minority & Women's Business Enterprises

Legislative Sponsors:

Sen. Bob Hasegawa

Sen. Judy Warnick

Sen. Patty Kuderer

Sen. Claire Wilson

Relevant Links:

SB 5032: <https://app.leg.wa.gov/bills/summary?BillNumber=5032&Year=2021&Initiative=false>

Washington State Disparity Study: <https://omwbe.wa.gov/governors-subcabinet-business-diversity/disparity-study>

CPARB Website: <https://des.wa.gov/about/boards-committees/capital-projects-advisory-review-board>

BE/DBI Committee Minutes/Info/Documents: <https://des.wa.gov/about/boards-committees/capital-projects-advisory-review-board/current-cparb-committees>

Next

Section 2:

* Required

We would like to understand the barriers as they relate to the professional roles of people involved in the work of RCW 39.10. Select the answer that best reflects how you see the business or organization you represent.

1. Type of Firm *

- Diverse Business
- Designer (A/E)
- Contractor
- Subcontractor
- Other Consultant
- Public Agency

2. Diverse Business (Prime or Sub) *

- Prime
- Sub

3. Diverse Business (Certified or not certified) *

- Certified
- Not certified

4. Optionally add your name

Enter your answer

5. Optionally add your organization

Enter your answer

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Next

Never give out your password. [Report abuse](#)

Section 3:

BE/DBI Survey Form - Draft 7

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* Required

We would like input regarding the barriers you think would be most impactful to you in your role in the industry. Please rank each barrier by importance, 1 being most important, 5 being least.

6. Rank the Barriers *

	1	2	3	4	5
Access to opportunities in public contracting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to capital including firm financing, eligibility for financing, and bonding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to project cash flow and prompt pay issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to training and business services support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to networks/relationship opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Section 4:

BE/DBI Survey Form - Draft 7

* Required

Through the diligent work of the BE/DBI Committee, many barriers have been identified and documented. In an effort to create meaningful DBE outcomes and be comprehensive in our approach we have identified the five barriers below as opportunities to support the success of DBE businesses. Your response to this survey will help inform which barrier needs the greatest emphasis and work. In your role, do you agree that there are already satisfactory access to solutions/best practices for each of the barrier statements below?

7. Do you agree or disagree with the following statements? *

	Strongly agree	Agree	Disagree	Strongly Disagree
Access to opportunities in public contracting is satisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to capital including firm financing, eligibility for financing, and bonding is satisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to project cash flow and prompt pay issues is satisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to training and business services support is satisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to networks/relationship opportunities is satisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Other Comments

Enter your answer

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Section 5:

If you would like to share your thoughts/best practices/successful solutions with the BE/DBI Committee please fill in the following information to be contacted.

9. Name

10. Phone

11. Email

[Back](#)

[Submit](#)

End of Survey

Report Outline

1. Background
 - SB 5032 Section 20
 - Previous disparity report recommendations
2. Recommendations
 - “Diverse Business as First Choice”
 - Access to networks
 - Access to capital:
 - Business start up capital and cash flow
 - Financing available
 - OMWBE Linked deposit
 - “land bank” proposal
 - Are there gaps in existing programs?
 - Project cash flow
 - Bonding
 - Subcontract prepayment financing
 - Payment upon completion
 - Prompt payment
 - Diverse Business Readiness and Competitive Edge
 - Readiness
 - Mentor/protégé
 - Individual general contractor training programs
 - Entering public works
3. Dashboard (ongoing monitoring)
4. Legislative proposals for 2023

Appendix

- SB 5032 Section 20 text
- Disparity Recommendation matrix
- Link to DES Disparity Study
- Links to other disparity reports
- Results from 2022 CPARB BEDBI Survey