

CAPITAL PROJECTS ADVISORY REVIEW BOARD

Via Teams

Meeting Minutes

April 13, 2023

MEMBERS PRESENT	REPRESENTING	MEMBERS ABSENT	REPRESENTING
Janice Zahn (<i>Chair</i>)	Ports	Senator Bob Hasegawa	Senate (D)
Bill Dobyns (<i>Vice Chair</i>)	General Contractors	John Salinas II	Specialty Contractors
Corey Fedie	Public Hospital Districts	Mike Shinn	Specialty Contractors
Bobbie Forch, Jr.	Disadvantaged Business	Rep. Mike Steele	House (R)
Lekha Fernandes	OMWBE	Rep. Steve Tharinger	House (D)
Bruce Hayashi	Architects	Senator Judy Warnick	Senate (R)
Janet Jansen	State Government		
Santosh Kuruvilla	Engineers	<i>Vacant</i>	Counties
Keith Michel	General Contractors		
Karen Mooseker	School Districts		
Mark Nakagawara	Cities		
Irene Reyes	Private Industry		
Mark Riker	Const. Trades Labor		
Linneth Riley Hall	Transportation		
Kara Skinner	Ins./Surety Industry		
Josh Swanson	Construction Trades Labor		
Robynne Thaxton	Private		
Olivia Yang	Higher Education		

Staff & Guests are listed on the last page

CALL TO ORDER & ROLL CALL FOR QUORUM

Chair Janice Zahn called the Capital Projects Advisory Review Board (CPARB) virtual meeting to order at 8:00 a.m.

A roll call of members established a meeting quorum.

WELCOME BOARD MEMBERS & INTRODUCTIONS

Chair Zahn welcomed members.

Chair Zahn reported on the vacancy created when Erik Martin representing Counties resigned because of a change in employment.

APPROVE AGENDA – *Action*

Robynne Thaxton moved, seconded by Santosh Kuruvilla, to approve the agenda as published. A voice vote approved the motion unanimously.

APPROVE MEETING MINUTES – *Action*

December 8, 2022

The following changes were requested to the minutes:

- On page 7, correct the spelling of Lekha Fernandes.
- On page 10, within the sixth paragraph, delete the extra “the.”
- On page 16, within the last paragraph, the reference to the guidance published in the zoom chat should be either be attached or inserted within the minutes. (*Office of Equity, Community Compensation Guidelines can be found here: <https://equity.wa.gov/people/community-compensation-guidelines>.*)
- On page 10, within the fourth paragraph, the comments by Ms. Skinner should be attributed to Kara Skinner to differentiate between Kara Skinner and Jolene Skinner
- On page 12, correct “Mike Riker” to reflect “Mark Riker.”

Janet Jansen moved, seconded by Mark Riker, to approve the December 8, 2022 minutes as amended. A voice vote approved the motion unanimously.

February 9, 2023

The following changes were requested to the minutes:

- On page 4, the report on the Board Development Committee should reflect Lekha Fernandes as a Co-Chair.

- On page 5, within the last sentence of the last paragraph, revise the sentence to state, “She recommended moving forward...”
- On pages 5 and 6, correct references to “Co-Chair Olivia” to reflect “Co-Chair Yang.”
- On page 6, correct references of “Co-Chair Olivia to reflect “Co-Chair Yang” and “Mr. Kuruvilla” to reflect “Co-Chair Kuruvilla.”
- On page 7, change the first sentence in paragraph 10 to reflect, “Chair Zahn stated that because of the intense workload of the Board, the agenda included more opportunities for outreach and education that the Board was not able to accomplish.”

Robynne Thaxton moved, seconded by Lekha Fernandes, to approve the February 9, 2023 minutes as amended. A voice vote approved the motion unanimously.

INVITATION FOR PUBLIC COMMENTS – Information

Vice Chair Dobyns invited public comments.

There were no public comments.

CHAIR REPORT – Information

Chair Zahn reported she attended and testified at legislative public hearings on the bills sponsored by the Board (House Bill 1306/Senate Bill 5268). Both bills received favorable responses. Senate Bill 5268 was unanimously supported by the House and Senate with no opposition votes. Over the last several months she has been responding to questions about some provisions within the bill. Legislators supported the proposed provisions with the bill moving forward with minimal changes. She also engaged in outreach to urge adoption of the budget required to advance the Board’s bills. She thanked Bill Frare, Mark Riker, and Josh Swanson for testifying during the public hearings. Legislators asked her about other bills related to apprenticeship and House Bill 1621 on standardizing local government procurement rules among special purpose districts, first-class and second-class cities, and public utility districts. The bill on apprenticeship passed. The second bill has been deferred for discussion by the Board under New Business because of an amendment directing work to be completed by the Board. She also participated in the Board Development and the new Education Connections Committee meetings.

BOARD ENGAGEMENT – Information

Board Member Opening Thoughts/Shared Commitments

Chair Zahn referred to the Board’s Shared Commitments published on each meeting agenda. She invited opening comments from members.

Members individually shared their respective thoughts about the future work of the Board and their appreciation of the hard work completed to ensure passage of the Board’s bill.

LEGISLATION TRACKING/BILL PROGRESS – Information

Talia Baker provided the update. Senate Bill 5268 is pending signature by the President of the Senate and the Speaker of the House. Ms. Baker acknowledged a request to send members notice of the bill signing event. Members were encouraged to attend the event.

ESHB 1050 concerning apprenticeship utilization requirements passed and is pending signature by the Governor. SB 5088 on adding references to contractor registration and licensing laws in workers' compensation, public works, and prevailing wage statutes was passed and is pending signature by the Governor. Ms. Baker acknowledged the request to add to the legislation tracker, SHB 1621 concerning standardizing local government procurement rules among special purpose districts, first-class and second-class cities, and public utility districts, as the bill includes an assignment to the Board.

COMMITTEE REPORTS

Project Review Committee – Information

PRC Chair Jeff Jurgenson reported the last meeting held over two days was necessary to accommodate the increase in project applications. Members are focused on improving meeting processes and opportunities provided to applicants. One new process change is the addition of a two-minute Clarification Period after panel deliberations but prior to panel action to afford time for applicants to clarify any information that might have been misunderstood by any of the panelists. The opportunity does not enable the applicant to provide any additional information. Members have suggested adding language within the application to provide guidance on MWBE and DBE usage rather than answering a series of

questions during the panel presentation. Members discussed the importance of maintaining neutrality during panel deliberations by avoiding pro or con comments on a project to avoid influencing votes by other panelists. PRC member Kurt Boyd mentioned the lack of authority or the ability by PRC to track progress on projects approved by the PRC. Subsequently, the committee agreed to establish an Audit and Accountability Subcommittee to enable follow-up of projects to help gauge the performance of projects approved by the PRC.

All projects presented over the two-day meetings were approved by PRC panels. Panelists have been requested to review applications and forward questions to the panel chair prior to the meeting to avoid duplicate questions. The process requires some improvement as not all panelists are reviewing the applications as thoroughly as needed.

The May 25, 2023 meeting will be a combination in-person/hybrid meeting at the Educational Services District facility at the Talbott Event Center in Spokane.

PRC Vice Chair Kyle Twohig noted that the two-minute period offered to applicants is more of a clarification period rather than a rebuttal opportunity as it is intended to enable applicants only to clarify information. During the first use of the process, some misuse was noted; however, the most recent meeting resulted in a better process that assisted in clarifying some questions for panelists. When used properly it has benefitted applicants.

Linneth Riley Hall commented on the discussion surrounding agency past performance. One takeaway was acknowledgment by members to seek feedback from the Board on the role of the PRC in terms of its oversight of past performance of agencies on projects approved by the PRC.

Chair Zahn referred to the dollar value of the projects approved by the PRC to date of \$1.6 billion, which speaks to the volume of projects and investment in the state using alternative delivery methods. The figure does not include projects completed by the state's 17 certified agencies.

Mark Riker disconnected from meeting at 8:40 a.m.

Keith Michel referred to one project not receiving unanimous approval. The reason for the two dissenting votes was included within the PRC report. He asked whether the explanations were appropriate for voting against the project. Chair Jurgensen explained that the reasons for voting against the project were not dictated by statute; however, efforts continue on working with owners to collect the information. One reason pertained to appropriate public benefit. The project was similar to other numerous projects approved in terms of public benefits, the reasons for the project, and the location of the project. He is unsure as to the panelist's perspective for voting against the project. The second reason pertained to the lack of knowledge for leveraging inclusion of MWBE or DBE contractors within the project area. The panelist, representing Disadvantaged Businesses, was concerned about the applicant's response for improving the outcome of MWBE and DBE inclusion. The applicant, Bellingham School District, recently hired an employee focusing on improving DBE and MWBE efforts. The new employee was upset by the dissenting vote because the district intends to make positive changes.

Ms. Riley Hall commented that as one of the panelists, one dilemma that is often challenging for some panelists is focusing on RCW requirements. Often, there are issues outside of RCW requirements that some panelists believe are important; however, it is important decisions are based on the requirements of the RCW.

Irene Reyes conveyed appreciation for the work by PRC especially in terms of the industry and recent federal action on the Infrastructure Investment and Jobs Act (IIJA). Substantial funds have been allocated to school districts or higher education. Those jobs are critical for small and minority businesses.

Robynne Thaxton said panelists are required to follow the provisions within the RCWs. Although, not necessarily a criticism of the opposition vote, it is important for members to tie the reason for a project denial to a requirement in RCW, such as the requirement in RCW 39.10.330(2) with respect to MWBEs. Voting in opposition of a project when it is based on a reason not in the RCWs could be subject to a protest. She urged PRC leadership to encourage panelists to specifically identify the reason and cite the requirements within the RCWs.

Mr. Kuruvilla echoed similar comments and suggested including a training opportunity at the beginning of panel reviews to remind members not to cast 'no' votes for a non-RCW requirement.

Mr. Riley Hall added that PRC leadership has effectively reminded panelists of different considerations at the beginning of each panel presentation.

Ms. Fernandes recommended the Board should revisit the role of the PRC for oversight of past performance of agencies on projects approved by the PRC.

Chair Zahn referred to prior data collection efforts by the Board for a number of years as well as many discussions on the role of the Board. The timing might be right to pursue conversations as the PRC has established an Audit and Accountability Subcommittee with members selected prior to the Board discussing the appropriate roles of each body and where the committee should reside.

Ms. Thaxton acknowledged PRC's operating rules as well as the RCWs defining the committee's duties and responsibilities. To the extent of exploring reviews and accountability, those actions might fall under the purview of the Board as the Board's duties and responsibilities include reviewing the statute and rendering recommendations for changes to the statute. Neither body is tasked with enforcement. The subcommittee might be an appropriate committee of CPARB to evaluate the use of existing contracting procedures and submitting recommendations for evaluating contracting procedures. The Board is not tasked by statute to regulate actions other than for procurement. She suggested consideration of a combined committee of CPARB and PRC members.

Chair Jurgenson acknowledged PRC has no policing authority but was also unsure as to the Board's authority. PRC members reviewed some issues with many expressing a desire to evaluate projects randomly to assess the process.

Chair Zahn commented that it is important to clarify any intent to avoid any misunderstanding. As part of the work on reauthorization, some of these issues were reviewed. In RCW 39.10.230 (5), provisions were specifically included directing DES to collect quantitative and qualitative data and alternative public works contracting procedures to support the Board's work in meeting the purpose of RCW 39.10.220. The Board does not just collect data, the discussion surrounded whether there would be a specific policy or work area involving the Board and the desire to collect data for that purpose versus a desire to collect data to support an audit function. The Board's role is not as an auditor. It is an important nuance to discuss because information within the minutes is not reflective of the current conversation. Chair Jurgenson advised that the subcommittee has not convened a meeting and could be easily withdrawn if required. Chair Zahn added that in addition to seeking more feedback from the Board, she is concerned about a committee formed by PRC in an area where RCW 39.10.230 provisions specifically address when the Board will pursue efforts, especially in terms of data collection. She stressed the importance of both determining the reason and identifying how the information would be obtained. She invited feedback from members, as she is concerned about the formation of the subcommittee.

Ms. Riley Hall said the reason for briefing the Board was to engage in a discussion. Although not stated, she believes it is intentional the subcommittee has not been convened pending the Board's conversation concerning the issue.

Kara Skinner conveyed similar concerns because as she reviewed the materials in preparation for the meeting, the information was concerning and led her to assume that she has missed some information.

Ms. Yang shared similar concerns and supports a discussion by the Board because the balance between initiative and working within the statute is often a delicate balance.

Vice Chair Twohig spoke to his understanding of the subcommittee's intent to discuss the concerns members have with respect to performance to enable a conversation with the Board on how to approach the issue rather than initiating any type of action. It is less about data and performance as members often receive complaints that they are unsure how to address. Members receive complaints, learn about protests, and often become aware of complaints that the alternative procurement method utilized by an owner did not meet the intent of the RCW. Members receive feedback and it has been difficult to communicate the information to the PRC to ensure all committee members can review the information and frame questions when the applicant reapplies for another project to ensure follow-up questioning. The subcommittee was established as a method to begin assembling the complaints committee members have received to address the concerns and determine how to approach the Board to receive direction on moving forward with the information, as well as how PRC processes those complaints from constituents to communicate the information to panelists to ensure follow-up questions.

Chair Zahn offered that the feedback provided better clarity as to the intent.

Ms. Reyes said she has similar concerns because she has always been a proponent of measurements for accountability. Within those measurements, the Board needs to establish the metrics. The metrics constitute important data that the Board will likely need for future references. It is important for the Board to establish guidance for the PRC.

Ms. Thaxton clarified that her comments were not intended to convey that there should be no subcommittee. However, she believes direction should be from the Board by establishing a committee to review the processes to identify the effectiveness of the statutes. The PRC has legitimate questions as to how to address the issues.

Ms. Reyes noted that when a protest is registered against a PRC decision, the Board receives the complaint. The Board is responsible for appointing PRC members. She questioned the Board's role and the lack of oversight to ensure PRC members are following procedures and statutes. The Board should be responsible for the accountability of PRC members.

Chair Zahn said the request from PRC is on how to proceed when members receive comments related to projects or issues on projects approved by the committee. The Board lacks a committee or a procedure to review and consider those comments.

Ms. Yang commented that the terminology of audit and accountability lack any reference to mentoring, coaching, or assisting. Perhaps it speaks to a conversation of a more informal approach to assist owners by framing the problem(s) through a coaching and mentoring process.

Bobby Forch spoke to the connectivity between CPARB and PRC. When PRC members approve an applicant for an alternative delivery method, it provides a specific level of flexibility in terms of meeting DBE or MWBE goals. It appears that some level of training, education, or at the very least, a conversation as part of the approval process could allow some flexibilities in terms of equity and inclusion, as it is important to articulate those goals as a priority. In some cases, it is necessary for some applicants to have a learning curve. He does not view the process as admonishing an owner but as an opportunity to educate owners on ways to use alternative delivery methods productively.

Ms. Thaxton commented on the history of the Board of sending letters to owners who are not complying with RCW requirements. The Board could consider creating a formal process. She agreed notifying the applicant after completion of the project would not be conducive, which speaks to the need for an informal education/coaching process. Any solution should be a joint effort by PRC and the Board.

Karen Mooseker said "audit" denotes a specific process with a specific purpose that she believes is not intended for this particular situation. She appreciates the comments for coaching, mentoring, and assisting because the tone of "audit" muddies the issue. It is also important to consider owners as they vary in size, experience, and in the number of capital projects. Some owners do not complete many projects while other owners complete projects totaling billions of dollars each year. As the Board attempts to expand and improve the use of alternative procurement in the state, the Board should recognize the importance of improving the skills of all parties to ensure projects are completed successfully. She acknowledged the request from PRC for direction or a process when the committee receives complaints, which warrants the Board's discussion to identify resources for the committee. It is also important that some complaints surrounding some issues may or may not result in a legal issue.

Chair Zahn summarized the feedback as the Board acknowledging the importance of the topic and appreciative of PRC bringing the matter to the Board's attention. Ultimately, the issue speaks to the partnership between the Board and PRC to develop a better understanding of a process for responding to concerns through coaching and support, while cognizant of the name of the committee as "audit" and "accountability" creates expectations for a process that was never intended. She recommended taking advantage the subcommittee membership to form a workgroup to discuss the purpose and process. She suggested Ms. Riley Hall could serve as a conduit between the two bodies, as well as any other CPARB members interested in participating in the discussion. The group can develop a proposed structure and purpose for review by the Board in May.

Volunteers from the Board included Ms. Riley Hall, Ms. Yang, Ms. Fernandes, Mr. Forch, Ms. Thaxton, Ms. Mooseker, and Ms. Reyes.

Ms. Reyes recommended developing a written process to enumerate the consequences of actions. Chair Zahn recommended the working group develop a scope of the committee for review by the Board. She affirmed PRC members of the subcommittee would be a member of the working group as well.

Ms. Riley Hall recommended the working group include a mix of both private sector and public owner representatives.

PRC Appointments – Action

Chair Zahn said the Board discussed the option of splitting appointments between two meetings. In spite of recruitment efforts, a number of vacant positions did not generate many applications. She suggested a discussion of those positions prior to rendering any appointment action.

Ms. Baker reviewed the list of vacant positions of three Construction Managers, one Architect, two Engineers, one Higher Education, one State, two Specialty Subcontractors, and two Women and Minority Business Enterprise positions. The terms of incumbents in those positions expire on June 30, 2023. DES received three applications each for Construction

Managers and Specialty Subcontractors. She and Chair Zahn conferred and are recommending appointment of one Construction Manager and one Specialty Contractor and defer remaining appointments until May to continue recruitment to attract more applications.

Vice Chair Dobyns commented that three qualified applicants applied for three positions. He questioned why the Board would not appoint those positions immediately.

Chair Zahn inquired about the extent of the recruitment process because she outreached to the Construction Management Association and was informed the organization was not aware of the opportunity to serve on the PRC. The association hosts an annual conference on April 21, 2023 and she has been invited to speak to the vacant positions during the conference. She questioned whether there has been sufficient recruitment and outreach to attract candidates other than incumbents.

Ms. Thaxton pointed out that the construction management industry is aware of PRC, its role, and the availability of positions. She is not a fan of filling a position when only one candidate has applied. Recruitment dates should be consistent for all positions. DES did however, receive applications from three qualified candidates and deferring any appointments to May might create too many appointments during the May meeting.

Ms. Reyes asked whether the Board has established a process whereby each position generating three applications or more would automatically advance to a vote. She supports a consistent process when the Board appoints PRC positions.

Chair Zahn responded that the Board has not established any protocol for PRC appointments. In terms of the Construction Manager positions, DES received one application for each vacant position rather than three applications for one position.

Vice Chair Dobyns agreed with Ms. Thaxton. All three candidates are members of the Construction Management Association. Some of the vacant positions lack applicants, which should be the focus of any recruitment efforts. The Board received applications from three highly qualified applicants who are experienced and active on the PRC. His concern is extending those appointments to the May meeting.

Ms. Fernandes acknowledged the applicants serving on the PRC; however, other individuals might be interested in serving who may not have had an opportunity to learn about the vacancies. The three incumbents have served many years creating a custom of reappointments rather than expanding opportunities to others. She favors voting on one or two positions and pursuing more recruitment until the first week in May to open up opportunities to others.

Mark Riker rejoined the meeting at 9:30 a.m.

Mr. Kuruvilla favored appointment of one position and affording more time to attract more candidates.

Ms. Mooseker questioned whether the Board is scheduled to consider appointment of the Specialty Subcontractor positions as well.

Chair Zahn replied that the appointment action pertains to all open positions; however, the conversation has centered on what positions to act on at this time.

Ms. Mooseker noted that the voting scenario is different for Construction Manager positions because all three incumbents are in attendance whereas only one incumbent for the Specialty Subcontractor positions is in attendance. She recommended voting to fill one position from each of the two categories (Construction Manager & Specialty Subcontractor).

Ms. Thaxton suggested that if the Board believes it is necessary to extend recruitment, it should be for all positions. However, she also recognizes that a deadline was established for the three positions and three applicants applied, as well as for the other positions.

Ms. Baker added that the recruitment information explains that for those positions not filled, the Board considers appointments at its next meeting.

Ms. Reyes pointed to the same extensive discussion by the Board during each appointment process. The Board is inconsistent in its appointment process because the Board has previously appointed only one candidate to a vacant position.

Chair Zahn said it is unclear that advertising beyond the *Daily Journal Commerce* and the *Spokesman Review* also includes notifications to other organizations of PRC vacancies.

Vice Chair Dobyns commented that the decision to appoint one position was a decision by the Chair and staff and not a recommendation by the committee. Chair Zahn clarified that the recommendation to the Board speaks to whether the Board believes sufficient outreach and recruitment has been pursued when only one applicant applies for a position. It is less clear as to the amount of outreach for those not currently serving.

Vice Chair Dobyns recommended appointing all three positions or deferring all appointments until May because the applicants are incumbents whose terms expire on June 30, 2023.

Ms. Yang suggested deferring all appointment because of fundamental structural problems in terms of the different position categories and the number of applicants. Many applicants who in good faith applied for the position now find appointments have been delayed by structural issues rather than credential issues. It might benefit the process by the Board reviewing an appointment structure

Mr. Michel supported no appointment of candidates based on the due date in the recruitment notice of May 4, 2023.

Ms. Baker explained that the date was recently changed on April 12, 2023. Should recruitment continue over the next month, she asked members to provide some assistance and outreach as advertising capacity is limited to the *Daily Journal Commerce*, *Spokesman Review*, and information on PRC and CPARB webpages. PRC members are advised of vacancies and are encouraged to solicit interested candidates. If outreach is desired to other organizations or agencies, she asked members to contact her.

Chair Zahn said the majority of the Board has indicated a desire to defer all appointments until May. Additionally, staff has requested assistance in expanding recruitment efforts.

Ms. Yang recommended referring the appointment process to the Board Development Committee to develop a recommendation for consideration by the Board. If possible, incumbents could be asked to continue serving who are interested in reapplying.

Chair Zahn said she was surprised at the number of positions with terms expiring concurrently. The committee should explore structural issues of preserving terms when different seats expire to ensure staggered positions. Over time, the PRC has many positions with the same term lengths. Ms. Baker added that if positions are not filled, the terms change when incumbents continue serving beyond their term.

Ms. Fernandes offered to pursue some outreach with different groups but would like additional information so she can share the information with potential applicants.

Ms. Thaxton confirmed the Board Development Committee would begin working on the appointment process from a structural perspective and present a recommendation on recruitment strategies, appointment timeframes, adjustments in term limits, and the Board's appointment process. Another looming issue is the number of vacant positions the Board will need to fill in May. She cautioned that the committee would not be able to solve the problems by the May Board meeting.

Chair Zahn thanked the PRC candidates for attending and for their patience as the Board works through structural issues.

Board Development Committee – Information/Action

Co-Chair Fernandes reported members continue to review job descriptions. Job descriptions for Chair and Vice Chair include informal check-ins with members and establishing appropriate response times for DES staff when responding to member requests. Feedback is requested on estimated time commitments for members. Job descriptions are not intended to serve as a static document but to provide information to applicants on the expectation of the position.

Co-Chair Fernandes reviewed some estimated time commitments and asked for feedback. The Chair position includes 25 to 30 hours per month based on consultation with Chair Zahn. The Vice Chair position includes 20 to 25 hours per month based on consultation with Vice Chair Dobyns. Committee chairs reflect 10 to 30 hours dependent upon the committee. The time commitments for the Chair and Vice Chair includes preparing for and attending CPARB meetings, connecting with members, and attending committee meetings.

Ms. Reyes suggested including time for legislative hearings as well. Chair Zahn noted that the hours reflect an average amount of time because some months are busier than other months.

Co-Chair Fernandes said the average time commitment for Board members is 10 to 12 hours per month for attending and preparing for meetings and attending committee meetings. Additional hours were added for new members to complete the onboarding checklist and meeting with mentors. Mentor hours include an additional two to three hours a month for six

months in support of new members. The information will be reformatted into a formal document for consideration by the Board in May.

Co-Chair Thaxton offered to forward the information via email to enable members to provide feedback. The next step is finalizing the mentor/mentee checklist. At the May meeting, the committee will be seeking volunteers to serve as mentors.

Legislative Writing/Drafting Committee – Information

Ms. Fernandes reported the Board asked the committee to determine the future of the Legislative Writing/Drafting Committee. Members have met and are seeking the Board's action to place the committee on hiatus because although active, the committee would not meet unless it was necessary. During the interim, the Board is asked to consider reactivating the Business Equity/Diverse Business Inclusion Committee to continue work on the DBEI report.

Ms. Baker advised that the Board dissolved the committee and action is necessary to re-establish the committee.

Irene Reyes moved, seconded by Kara Skinner, to re-establish the Business Equity/Diverse Business Inclusion Committee. A voice vote approved the motion unanimously.

Ms. Fernandes disconnected from the meeting at 10:07 a.m.

Subcontractor Bid Listing Policy Evaluation Committee – Information

Co-Chair Dobyns reported the committee did not meet since the last Board meeting. He is working on timing for scheduling a meeting to discuss representation on the committee. He plans to contact Ms. Fernandes, Mr. Kuruvilla, Ms. Reyes, and Mr. Forch to discuss outreach to their constituencies to solicit participation in a meeting prior to the Board's May meeting.

Chair Zahn recommended exploring options for outreach to constituencies to solicit participation on the committee. Mr. Kuruvilla suggested surveying members in the next several weeks to establish a meeting time.

Chair Zahn recommended scheduling a report on the status of efforts on the May meeting agenda.

Chair Zahn recessed the meeting at 10:12 a.m. for a break.

Chair Zahn reconvened the meeting at 10:25 a.m.

Education Connections Committee – Information

Ms. Riley Hall updated the Board on the committee's work to date. Several meetings have been convened with focus on drafting a mission for the committee. Members finalized a mission statement to introduce to the Board. The mission statement emphasizes the committee's goals to provide connections to construction industry and education opportunities including alternative public works contracting to enhance industry knowledge, quality, and efficiency. Members discussed the role of the committee acknowledging that it was not the role of the committee to provide the education offerings, but to assist in connections between existing educational opportunities and the industry. Initial work would provide links to existing educational resources and development of an educational calendar. The committee, at this time, has developed a list of existing educational opportunities with the intent of working with staff to include the information on the CPARB website. Members discussed the need to identify areas that lack educational opportunities, such as educational offerings specific for small, women, and minority businesses and from general contractors to help prepare effective outreach plans and how to implement an effective outreach plan. Members discussed roles, responsibilities, and expectations of the committee, CPARB, and those seeking educational opportunities

Janet Jansen said the committee discussed linking educational opportunities with the website rather than developing a separate calendar.

Chair Zahn asked about the status of establishing the goals of the committee, identifying additional members, and the election of officers for the committee. Ms. Riley Hall advised that Curt Gimmetad is serving as the Chair.

Mark Riker reported he was unable to attend the meeting but has contacted Josh Swanson to obtain input from a labor perspective. The Board may be asked to consider adding a labor member to the committee. Chair Zahn acknowledged the ability to create a placeholder for a member representing labor. She invited other member considerations.

Ms. Riley Hall asked about the possibility of including representation from a small business or DBE in addition to representation from OMWBE.

Ms. Thaxton noted that she is the owner of a small business and is a DBE.

Mr. Forch inquired about the possibility of including a DBE or MWBE construction contractor.

Mr. Swanson said he believed he was volunteered to serve on the committee. He agreed with Mr. Riker that a member representing labor would be important to include on the committee.

Ms. Riley Hall reviewed a list of current members: Curt Gimmestad (General Contractors); Linneth Riley Hall (Transit); Olivia Yang (Higher Ed); Robynne Thaxton (Private Industry); Josh Klicka (MRSC); Curtis Bennett (OMWBE); Janet Jansen (State); and Brian Aske (DBIA).

Irene Reyes moved, seconded by Linneth Riley Hall, to add positions representing Labor and MWBE to the committee. A voice vote approved the motion unanimously.

WSU DESIGN-BUILD DEMONSTRATION PROJECTS <\$2 MILLION REPORT

Ms. Yang introduced Joe Kline, Assistant Vice President, Capital and Operations, WSU; and Maja Huff, Capital Contracts Manager, WSU Facilities.

Mr. Kline reported WSU utilizes Design-Build because it delivers the most program for available funding, maximizes value from project definition through occupancy, provides collaborative problem solving with high performing teams leads to improve outcomes, and is a flexible procurement strategy to address project specific challenges, such as BE/DBI, cost escalation, and lead times, etc.

Ms. Huff reviewed some completed WSU small Design-Build projects:

- Bustad Vivarium Renovation and Building Controls Replacement
 - DB Team: Quality Contractors | Design West | MSI | Apollo
 - Initial GMP \$1.75 million
 - 1 team responded to the RFQ, 1 Proposal
- Building Automation System network and Panel Upgrades
 - DB Team: MacDonald-Miller
 - Initial GMP \$1.45 million
 - 3 teams responded to the RFQ, 2 invited to the RFP
- Eastlick Teaching Labs Renovation
 - DB Team: Walker | NAC
 - Initial GMP \$2 million
 - 5 teams responded to the Q, 3 invited to the RFP
- Bustad HVAC Service Equipment Elements and Controls Upgrade
 - DB Team: MacDonald-Miller
 - Initial GMP \$1 million
 - 3 teams responded to the RFQ, 3 teams invited to the RFP, 2 withdrew
- Demolish Troy-Wegner Bridge
 - DB Team: N. A. Degerstrom | Exeltech Consulting | Talisman Construction
 - Initial GMP \$688,000
 - 2 Teams responded to the RFQ, 2 Teams invited to the RFP

Mr. Kline reviewed lessons learned during the selection phase:

- Tune approach to smaller firms that typically do traditionally design-bid-build
- Need to find ways to de-mystify the DB process for smaller firms
- Smaller less experienced DB teams need more clearly defined deliverables from the owner, and potentially the opportunity to fix errors or omissions during the RFQ & RFP phases
- Owners need to be prepared to spend more time with the proposers to ensure a level playing field
- It appears that having one member of the DB team with some experience on a previous DB project is helpful

Lessons learned during design phase:

- Smaller firms needed some help in defining when and what design submittals were necessary during the design/permitting process
- Teams struggled early to fully integrate the owner in the design process in a collaborative way
- DB teams were hesitant to share problems as they came up

- Owner may need to take on role of 'DB manager' early in the process

Lessons learned during construction phase:

- Quick pay strategies may be more difficult to implement
- Owner must be ready to model collaborative problem solving
- GMP contracts are different than Lump Sum contracts

Lekha Fernandes rejoined the meeting at 10:52 a.m.

Mr. Kline said that based on experience as an owner, the owner should have significant experience with Design-Build before bringing inexperienced teams into the process. Although, the projects were smaller dollar value, owners should expect more intensive time commitments. Significant thought and work is required to modify large Design-Build contracts to be useful for small DB projects. WSU also made significant changes to DB contract templates following completion of projects. He offered to share the templates with members. WSU is seeking ways to target opportunities for historic Design-Bid-Build firms to move into the DB marketplace. Moving forward, WSU is seeking ways to engage smaller teams through the process more so than with the larger teams, by considering ways to enable more interaction and opportunities to revise RFQs, such as conducting post-RFQ interviews to clarify missing information in the RFQ.

Ms. Yang noted the projects were under \$2 million and were focused to small and medium businesses. It was necessary to change processes as it entailed much coaching and mentoring. The projects represent an opportunity for the owner to provide some Design-Bid-Build firms the potential to participate in a different business market. It represents a commitment and investment in time that WSU believes will help expand the pool of contractors.

Ms. Yang announced WSU's annual Design-Build Forum on Friday, July 28, 2023, and invited members to either attend the forum or participate online.

Mr. Kline encouraged members to contact him for more information and for copies of template contracts.

Businesses that participated in the five projects provided positive feedback about the experience and plan to submit proposals for more projects.

Santosh Kuruvilla disconnected from the meeting at 10:58 a.m.

In response to an inquiry regarding the RCW, Ms. Deakins displayed RCW 39.10.300 and the provision for Washington State University to perform Design-Build demonstration projects with a total project cost under \$2,000,000 to develop best practices in encouraging participation of small business entities and of minority, women, and veteran-owned businesses, and in managing capital projects under \$2,000,000.

Mr. Kline added that the goal is to increase participation as the WSU team works through and learns the process. The team realized that if small businesses do not participate within the market, many might not be seeking to participate. The team realized the necessity of targeting companies and de-mystifying the process by helping them learn and consider new opportunities to generate more business.

Chair Zahn noted the statute requires WSU to provide a formal report to the Board after May 10, 2023 with information on the type of projects performed, the initial and final project cost and schedule of the projects, participation of small business entities and of minority, women, and veteran-owned businesses, and the best practices derived from the projects.

Ms. Riley Hall commented that the legislation was directed to WSU to engage in a pilot. She asked about the potential of the Board recommending the Legislature extend the pilot to more owners. The report from WSU could include a recommendation.

Mr. Kline affirmed the request noting that the project list was not extensive and could be considered within the experimental phase. Some initial recommendations could be included in the report in terms of best practices.

Ms. Yang added that there are some concepts that are consistent across the state but that some of the concepts would be tailored to different demographics. The process by WSU is different than it is in King, Pierce, or Snohomish Counties.

Chair Zahn recommended scheduling presentation of the report during the September CPARB meeting. She thanked the presenters for providing the information.

NEW BUSINESS

Community Representative Share Successes and Challengers - TBD

Chair Zahn recommended deferring the topic until invitations can be extended to industry representatives.

SHB 1621 Review Committee set up – Information/Discussion

Chair Zahn reported SHB 1621 passed both chambers. The bill relates to standardizing local government procurement rules among special purpose districts, first-class, second-class cities, and public utility districts. An amendment to the bill included direction to the Board to review and make recommendations by December 31, 2023. The statute language speaks to self-performance of work by public agencies. The limits are different for different entities. Mark Riker offered some testimony on the bill and conveyed some concerns. It is important to establish a committee to review the bill and develop some recommendations.

Mr. Riker said one of the concerns was the lack of alignment with RCW 52.68 which was work completed by the Board on threshold levels. Since his service on the Board since 2009, the Board has worked on thresholds and increasing the ability for in-house contracting and bid limits. It is appropriate the Board review HB 1621, which served as the basis of his testimony and his position.

Chair Zahn cited the provision in the bill directing the Board to review the act and make recommendations to the appropriate committees of the legislature by December 31, 2023. She asked for volunteers to serve on the committee or a recommendation on the entities to be represented on the committee.

Ms. Fernandes (Sharon Harvey), Mr. Riker, Mr. Nakagawara, Mr. Hasegawa, Ms. Reyes, Ms. Yang, and Mr. Michel (name to TBD) volunteered to serve on the committee. Mr. Riker recommended adding a representative from Mechanical Contractors Association (MCA) (Scott Middleton or Michael Transue). Members discussed the committee's name.

Lekha Fernandes moved, seconded by Janet Jansen, to establish the SHB 1621 Review Committee. A voice vote approved the motion unanimously.

ADMINISTRATION

Board Member Recruitment – Expiring Positions – Information

Ms. Baker reminded members of six positions expiring. Members wishing to reapply should submit applications to the Governor's Office through a link from the CPARB webpage. The Governor's Office prefers more than one applicant for each position prior to appointment of a position.

Vice Chair Nomination Reminder for May 11, 2023 – Information

Ms. Baker advised of action at the May 11, 2023 meeting to vote on a new Vice Chair with the departure of Vice Chair Bill Dobyms. Interested members should submit a letter of interest. Ms. Baker said she would forward guidelines for letters of interest for leadership positions to the Board.

Budget Report – Information

Nancy Deakins displayed the Board's current budget thorough June 30, 2023 (2021-2023 biennium). The budget includes categories of funding, expenses, and year-to-date actuals through February 2023. Expenses are less than forecasted; however, some expenses have not been entered for PRC and Board travel expenses. Staff is meeting with finance personnel to work on the next biennium budget. Guidance has been requested for compensation to under-represented groups. DES is developing a policy to address compensation. She asked for feedback on whether the Board prefers to follow DES policy or develop another policy.

Chair Zahn suggested reviewing the agency's policy.

May 11, 2023 Meeting Planning & Draft Agenda – Action

Chair Zahn confirmed the availability of a meeting room at the Port of Seattle for the May meeting. Ms. Baker said she visited the site. The facility has virtual capacity for those attending virtually. Lunch will be catered. Parking can also be validated for members attending.

The Board recommended scheduling the May 11, 2023 meeting from 9 a.m. to 2 p.m. with a lunch with the following agenda items:

- Minutes 4/13/2023
- Legislation Session Conclusion
 - SB 5268 Implementation Plan/Status/Road Show – with Cake

- Vice Chair Election
- Committee Reports
- PRC Appointments (12 positions)
- New Business
- Budget Report

CLOSING THOUGHTS - Information

Chair Zahn invited members to share closing thoughts. Members shared their respective closing thoughts.

ADJOURNMENT

With there being no further business, Chair Zahn adjourned the meeting at 11:35 a.m.

Staff & Guests

Talia Baker, Department of Enterprise Services
Kurt Boyd, Valley Electric
Nancy Deakins, Department of Enterprise Services
Jim Dugan, Parametrix
Theresa Gonzalez, MRSC
Valerie Gow, Puget Sound Meeting Services
Sharon Harvey, OMWBE
Maja Huff, Washington State University
Jeff Jurgensen, OAC Services
Joe Kline, Washington State University
Don Laford, Skillings
Brynn Linville, MRSC
Monique Martinez, Department of Enterprise Services

Art McCluskey, WSDOT
Claire Moerder, Maul Foster Alongi
Colleen Newell, Maul Foster Alongi
Brenda Portaro, OMWBE
Cathy Robinson, University of Washington
Resie Rogers, Governor's Subcabinet On Bus. Diversity
Jon Rose, MRSC
Kelsey Rote, Office of Financial Management
Leeann Snyder, King County
Chris Thomas, TRS Mechanical
Kyle Twohig, Spokane County
Michele Williams