

Location: via Teams

Meeting ID: 286 966 538 619 **Passcode:** 528oxQ

Committee Members: (20 members, 11 = Quorum)

x	Lekha Fernandes, OMWBE, Chair	Santosh Kuruvilla, Exeltech, Co-Chair	
	Irene Reyes, Excel Supply Company, Co-Chair	x	Cathy Robinson, University of WA
x	Frank Boykin, MBDA	x	John Salinas II, Specialty Contractors
	Jackie Bayne, WSDOT OEO		Young Sang Song, Song Consulting
x	Stephanie Caldwell, Absher Construction		Jerry Vanderwood, Inland Northwest AGC
	Bobby Forch, CPARB DBE Representative	x	Chip Tull, Hoffman Construction
x	Shelly Henderson, Mukilteo School Dist.	x	Charles Wilson, DES
x	Aleanna Kondelis, Hill International	x	Olivia Yang, WA State University
	Keith Michel, Forma Construction	x	Janice Zahn, Port of Seattle
	Brenda Nnambi, Sound Transit		Matt Rasmussen, Benton County

Guests and Stakeholders:

	Monica Acevedo-Soto	x	Jack Donahue, MFA
	Shari Bartell, DES		Reasa Pearson, LNI
	Jennifer Brower, Port of Vancouver	x	Rachael Pease, BNBuilders, Vendor Diversity Director
x	Michelle Connor, Gly Construction		Cathy Ridley
x	Monique Martinez, DES	x	Steve Russo, UMC
x	Edwina Martin-Arnold, City of Seattle		Vicky Schiantarelli, Schiantarelli & Associates
x	Maja Sutton Huff, WSU, Higher education	x	Kara Skinner, Integrity Surety
	Tennille Johnson, OMWBE		Robin Strom, Anderson Construction
	Bryan Kelley, Howard S. Wright		Ethan Swenson, OMWBE
	Denia Lanza-Campos	x	Marissa Woodard-Nave, Forma Construction
	Patrick McQueen, PCL Construction		Carrie Whitton, Forma Construction
x	Cindy Magruder, UW		Edson Zavala, Sound Transit
	Edwina Martin-Arnold		Erin Frasier, WA State Building & Construction Trades Council

The meeting began at 1:38 p.m.

Welcome & Introductions

Chair Fernandes welcomed everyone to the meeting and thanked them for attending. Stephanie Caldwell will be retiring in December and looking for a replacement in the coming months.

Michelle Connor from Gly Construction and Rachael Pease introduced themselves.

Approve Agenda

Olivia Yang motioned to approve the agenda, seconded by Chip Tull. The motion passed through a voice vote.

Review and approve minutes from 12/18/2024

Olivia Yang motioned to approve the minutes, seconded by Cathy Robinson. The motion passed through a voice vote.

Review of Project Plan

The group reviewed the project plan. Chair Fernandes reviewed where it had been restructured. She allowed for more time and space for discussions before launching a survey. Chair Fernandes requested any additions.

Steve Russo asked how the Senate bill that makes use of the current Revised Code of Washington change order language would impact the plan. Chair Fernandes' staff and DES staff are tracking and monitoring the situation. The group would have to closely monitor and work as individual stakeholders in regard to this bill.

Aleanna Kondelis added that the pieces weren't in place yet for the legislation to progress. The Legislature is moving to clean up some of the work from last year, and that may open doors.

Chair Fernandes appreciated the group's transparency and hoped that the group could be open and honest.

Olivia pointed out that "satisfactory completion" was changed to "commencement" on the third page of the bill and suggested working off the existing legislation as a baseline, which would allow the working groups some flexibility in working to find solutions. She asked the group if they would get behind putting pressure there. Chair Fernandes suggested that members might come in and testify.

Steve thought the language change appeared to favor the owner, as it shortened the time window.

Chair Fernandes will get clarity on the language and the legislation process and prepare the group to testify if they want to address the minor modifications to the bill.

Frank Boykin asked what the real difference was regarding the language's impact, because there may have been intent there on the part of the Legislature.

Work Group Report-Outs

The change order group discussed the differences between change orders and the pros and cons of each through both the contractor and owner sides. Change orders can put strain on a relationship between owners, primes, and subcontractors. Notice provisions and other requirements can be a barrier to compliance, and a potential lack of repercussions for owners.

Janice asked whether there has been surveying or scoping about how different owners do things. Jerry suggested including questions about it in the April survey. Chair Fernandes suggested that the groups begin noting questions to include for the launch of the survey.

As an owner, Olivia shared that often they have to remain good stewards of public funds and justify every penny spent. She supported the best practices established by the previous group and pointed out the bureaucracy of the change order process as problematic. Owner stewardship is a driving force behind difficulty on change orders.

The retainage group explored the landscape around retainage and the reasons for it. The group is working through a collection of questions that will be taken forward to the agencies that are responsible for releases. It would be important to hear from small businesses, particularly subcontractors who are more deeply impacted by retainage

delays. The sample size for methodology on earlier releases and other systems was small, and Maja Sutton Huff asked the committee for evidence that the methodology was being used.

Aleanna said that when they revised the small works roster, they had a robust discussion on managing risk and suggested that they review those conversations since they dive into the conversation on retainage. Chair Fernandes noted that some of the retainage errors added up to small amounts of money—entire projects would be held up for a couple thousand dollars—so she supports reviewing the risk and retainage discussion.

Janice said that she heard from cities that they wanted representation at this committee. Edwina Martin-Arnold with the City of Seattle is listed as a stakeholder but would be available to join the committee.

Rachael suggested a state-sponsored retention assistance program, similar to a program suggested by Senator Hasegawa. Chair Fernandes said that it would be worth gauging interest for a retainage program. Maja suggested that Rachael join the workgroup.

The meeting was adjourned at 2:35 p.m.

Next Meeting Agenda

- Welcome & Introductions
- Review & Approve Agenda and Minutes from 1/15/2024
- Review Project Plan
- Workgroup Report-Outs
- Next Meeting Agenda
- Adjourn

Action Items

- Chair Fernandes will get clarity on the language change and the process of testifying on the Senate bill.