

**Location:** via Teams

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

**Committee Members:** (20 members, 11 = Quorum)

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|---|--|
| x Lekha Fernandes, OMWBE, Chair               | x Santosh Kuruvilla, Exeltech, Co-Chair  |
| x 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                       | x Young Sang Song, Song Consulting       |
| x Stephanie Caldwell, Absher Construction     | x 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           |
| x Brenda Nnambi, Sound Transit                | Robert Blain, Benton County              |

**Guests and Stakeholders:**

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

**The meeting began at 1:38 p.m.**

**Welcome & Introductions**

Chair Fernandes welcomed everyone to the meeting and thanked them for attending.

Jerry Vanderwood filled in for AGC now that the spot is vacant.

Robert Blain from Benton County was going to join but was unable to make the meeting.

## **Approve Agenda**

*Olivia Yang motioned to approve the agenda, amended to allow time for Aleanna Kondelis to share new business. Irene Reyes seconded. The motion passed through a voice vote.*

## **Review and approve minutes from 1/15/2025**

*Olivia Yang motioned to approve the minutes from 1/15/2025. Irene Reyes seconded. The motion passed through a voice vote.*

## **New Business**

MRSC and said that they were putting together a curriculum for best practice on paying contracts and had a call for people to provide case studies of best practice for payouts. The meeting will be hybrid. Olivia Yang and Kara Skinner will help with curriculum development; Kara has classes ready to go on accounting principles for contractors. Olivia is happy to help with curriculum development. Kara will also help; she has classes ready to go on accounting principles for contractors. WSU would be getting in touch with Aleanna Kondelis, who will be sending out another email about strategy sessions.

Jerry Vanderwood met with Senators Pedersen and Dhingra and raised the issue of the prompt pay bill, which has been in the Ways and Means Committee for a while. Heather Kurtenbach from the Washington State Building Trades asked the committee to let her know if there was anything she could do to help with that bill.

## **Work Group Report-Outs**

The Change Order group met on February 3, 2025, and dissected different change order types to determine best practices in an area where there are not standardized processes and change orders vary depending on who issued them. Owners have reported their biggest challenge to prompt payment timelines are due to internal approval protocols. Various approval authority levels, which would be difficult to change, can make getting payment out in time more difficult than necessary. Cities had delegated authority to deal with approvals. The conversation has included best practices around approaching cumulative totals and predicting change orders and the group needs to talk to owners to determine the quickest way to get change orders approved.

Contractor John Salinas said that bundled change orders were tough to deal with as his scope of work gets bundled with other items. He shared an anecdote from a Sound Transit project of receiving error-filled change orders and only having 48 hours to get them processed. He said he didn't want contracts to go to a council or county executive. Chip Tull agreed and said that combining things slows down the process. Part of the difficulty is in the subcontracting process. John's points should be considered when surveys go out. Brenda Nnambi will follow up with John because his perspective will be valuable for internal conversations about payment decisions underway at Sound Transit.

The Retainage Group is looking to get perspectives from the Department of Revenue, Employment Security, and Labor and Industries on the completion of a project and clarification on what the agencies were auditing so that the group could be proactive. These problems are common for smaller design firms, who risk their professional liability insurance. House Bill 1967 might cover some of those difficulties and makes sense if there is a clear split between the design and construction. John said that as a subcontractor he often has to make use of retention bonds, and

that editing the current process might defeat the purpose of the retention changes in the first place. Santosh Kuruvilla clarified that this prevents retainage from being abused by certain contractors but acknowledged that need would end up falling to smaller contractors, designers, and architects. The approach to horizontal and vertical work is entirely separate and varies wildly, and best practices might involve simply taking from horizontal work practices and applying them to vertical work.

Chair Fernandes encouraged those interested in continuing the change order and retainage conversations to join the work groups if they can.

**The meeting was adjourned at 2:58 p.m.**

### **Next Meeting Agenda**

- Welcome & Introductions
- Review & Approve Agenda and Minutes from 2/19/2024
- Workgroup Report-Outs
- Next Meeting Agenda
- Adjourn

### **Action Items**

- The retainage workgroup will reach out to the Department of Revenue, Employment Security, and Labor and Industries to gain an understanding of their approval process.
- Olivia Yang will be getting in touch with Aleanna Kondelis regarding curriculum development.
- Aleanna Kondelis will send out another email about strategy sessions.
- Brenda Nnambi will follow up with John Salinas regarding bundling change orders to inform conversations at Sound Transit.
- Members interested in change order and retainage conversations should join the work groups.