

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

1 April 2022

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 checked="" type="checkbox"/> Lisa Van der Lugt	OMWBE	CPARB /Committee Member
<input checked="" 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 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 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 type="checkbox"/> Young Sang Song	Song Consulting	Committee Member
<input checked="" type="checkbox"/> Stephanie Caldwell	Absher Construction	Committee Member
<input type="checkbox"/> Bill Dobyns	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 type="checkbox"/> Carrie Whitton	Forma	
<input checked="" type="checkbox"/> Rachel Murata	OMWBE	Initially representing Lisa
<input type="checkbox"/> John Rose	MRSC	
<input 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	
<input type="checkbox"/> Andrea Ornelas	Union	
<input checked="" type="checkbox"/> Rebecca Keith	Seattle City	
<input type="checkbox"/> Greg Bell	Pierce County	
<input checked="" type="checkbox"/> Kara Skinner	Integrity Surety	
<input type="checkbox"/> Julie Campos	OMWBE	
<input checked="" type="checkbox"/> Scott Middleton	MCAWW	
<input checked="" type="checkbox"/> Nina Jones	WSDOT	

AGENDA

Item	Purpose	Start
Welcome and committee member introductions	Information	10:00 am
Review & approve agenda	Action	10:05 am
Review & approve 3/25/2022 meeting minutes	Action	10:10 am
Executive Summary		10:15 am

Last thoughts on Access to Training	Discussion	10:25 am
Access to Opportunities	Discussion	10:35 am
New Business	Discussion	11:30 am
"Final word" (from committee members)	Discussion	11:45 am
Adjourn	Action	12:00 pm

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

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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 3/25/2022 meeting minutes**

- Minutes approved.

Action by: BE/DBI Committee

Status: Approved

Item: **Executive Summary**

- Draft Executive Summary shared.
- Accountability – data collection: CPARB role in data collection. Be clear that accountability being talked about in the report has to do with accountability of owners, supporting the firms for success. Be clear that CPARB is not the police.
- CPARB is largely volunteer* (unpaid) and therefore has limited resources to do data collection and reporting. It seems that other agencies are already doing that and CPARB is not well equipped to manage that need.
- Accountability is multifaceted: measurement and verification. Project level – Prime during project, Owner end of project, Individual owner utilization on an annual basis (in partnership with OMWBE), other more comprehensive groups. CPARB is project, contract and procurement people who can

- use data to inform recommendations and collaboration.
- Recognizing that some of those that are not being complied with are being responsible. Maybe we need to hone into responsibility and accountability or distinguish one from the other. Can we elaborate more on what accountability means, and the repercussions and ramifications of it.
 - We've been hearing from many folks about accountability – need metrics around communication and expectations in order to enforce accountability. Not going to m over the need on the industry credibility if diverse business is not part of the conversation who does to have a voice in the scoring. Needs to involve firms in the process of achieving the inclusion plan. Next level that has not been achieved yet, but should be part of this.
 - Disappointments happen when expectations are not made clear.
 - Preverbal put yourself in the other persons shoes, to make sure that expectations are aligned.
 - Have heard that actual tools be useful. Will the resources/reference pages. Will there be nuts and bolts resources be there?
 - 39.10 – MCCM more of an emphasis on what you are doing with your inclusion plan. How are they evaluated and scored? But are seeing that plans are impacting the landscape of how firms are being scored/ differentiating firms due to strong inclusion plans.
 - Training – set up the firms to be successful project after project. MCA – Add Subcontractors to the groups that would be willing to invest resources on the training side to lend expertise.

Action by: Cochairs and Committee.

Status: In Progress

Item: **Last thoughts Access to Training**

- No comments.

Action by: N/A

Status: N/A

Item: **Access to Opportunities**

- Survey – The survey results demonstrate that this item needs attention – Owner versus Diverse perspective, owners low priority, diverse high priority. Primes perspective in the middle – challenging to find them with respect to your business objectives. How to navigate the opportunities and choose should be focused on how to help grow small businesses.
- Are there actually opportunities for the small new contractors – or are they all for larger contractors because it is easier to hire a handful of contractors versus 50 small.
- Shifting the focus from small business procurement to small business development.
- Why do you think the gap is there between Owners perceptive and Diverse business perspective: physical visibility of this type of work. Incubator program. How am I consolidating my risk – do I want to work for a general contractor or an Public owner? Lump sum opportunities may be a good way to start.
- JOC as a good method of introduction. Use as a tool to fundamentally develop and grow business in how to do public work. Good feeder system.... Closer to residential from a subcontractor point of view. But it comes with all the same administration nuances from public works. When you work with a JOC – you probably have support form the JOC contractor on how to do the process.
- More than looking at the DJC - How to choose within those to delivery models? Or how to identify the generals with mentoring.
- Unless you find the general who is willing to provide comprehensive training – firms who try to venture out may not have all of the information (ie. Differences between the different agencies, requirements, etc) that could have been provided from the prime contractor.
- How to find someone who will advocate for you – this person needs to understand the scope of the project. Where does it fall apart? Or where does the small business need help? Is there something that could pre-qualify me so that they know my capacity and capability? Do we intentionally overwhelm the small business owner?
- Example of students who are about to graduate getting advising as you head out of University. Maybe there is an opportunity to have advising tailored to small business.
- Over promise and under deliver?

- Pre-qualification – how do you expect the small business owner to continue updating their profile to show their growth... ie. If they are pre-qualified at 2.5M but now have the capacity for 5M.
- Reference ideas listed in the chat.
- Rosters- due diligence needs to get more firms on the rosters- as they are limited currently.
- Mentoring programs- capacity building programs. Addressing and reporting on the disparity study recommendations.
- Sound transit example work plan.
- Do the small businesses know how to do business with your firm, or agency.
- Building up the muscle of the firms to be successful. – SWR, JOC, Etc.
- One size doesn't fit all
- Aligning opportunities and contract obligations. Matching making and making sure the right matches. Not every opportunity is a good opportunity for a firm.
- Candor and conversations that align the right opportunities that are right for the firms. We have a lot of optimists – how do we don't end up in spaces where our projects are the worst thing to happen to the firms.
- Perspective from a diverse business – ownership of the role to want to grow – seeking out the opportunities. Not just the expectation that it should all be handed to you.
- Brutal self-evaluation.
- Getting the contract is not the end of the journey, it is the beginning of the journey. And it is not easy to do.
- Opportunities, Capital and Training cannot be one without the other.
- Advocates who checked back with you, the personal touch – where has that spirit gone? It was there in the past. But seems to be missing now. Sign up responses – sharing information. Giving the information when they sign up to OMWBE, or a Roster, or other agency information.
- A lot of talking – now follow up. Caring about the success and following up.
- Pathways to success – example from Feds.
- OMWBE – is working on developing the Small Business Advocate branch, newly set up.
- Contract package/sizing. As owners do we manage that? How is it going for instances where the owners have been involved in the process?
 - The unbundling and right sizing – in larger projects is one of the opportunities that is out in our industry. That can move the needle. But is also contradicts what owners and generals traditionally do, to manage risk. When you get into detaching and having two subs... having to go into the sales pitch and justification of it.
 - The how and maintain harmony with not small business community does have rough point.
 - Owners and GC's have to be able to communicate the need and not just complicate subcontract management.
 - Check the box mentality versus meaningful changes. Weighing risks, rewards and mitigate them in a business-like way.
 - WSDOT SBA small business roster? Wonder what the thought is there?
 - Small business don't like DB – because they perceive that you can't unbundle. DB can be used wisely or poorly, by owner or DB.
 - Larger and larger projects impact the ability of firms to work on individual projects. Because of all the additional hoops to work on massive projects even as subcontractors.
 - DB does give an opportunity to design the work around the businesses in ways not available in other models.
 - GCCM statutory change around unbundling – GCCM committee is looking at ways to unbundle in a more fair and equitable ways. Challenges that we hear – how do we do that? What is normal? It's expensive to put something out to bid. Sometimes there are bid packages that there are no bids... end up having to include into another package. Best practices struggle for the committee. Set forth a handful of considerations to unbundle fairly to get more participation.
- Does pilot projects resonate with unbundling?
- Are we finding successes in the very thoughtful way that we have to think about unbundling? Do we have some success stories to share around unbundling?
- In eastern Washington – you have to start with who is even available to do the work. Starts with the inclusion plan, and what makes sense for the area. What is the intention (in lieu of goals) to be achieved? May be different for each client. There are not a lot of scopes available - has to be a strategic effort. What are we trying to achieve first then build the program around them.
- Perplexed about the concerns around alternative public works – because Hard bid does not have a mechanism?

- Vertical versus horizontal, possibly differences between the two. It's not the tool it's the people using the tool and how they use it.
- Complexity that the GC has in balancing the risk against the commercial terms. There is finesse to it, and it is very complicated in the horizontal space.
- DB is the only delivery method that doesn't have the low bid requirement... that give the opportunity to selected upon best value. While it is an opportunity to be flexible – there is opportunity for abuse. Subcontracting opportunities is the greatest challenge in this model.
- Flexibility that owners have look at on a sliding scale...DBB lowest responsive, GCCM qualifications, DB all the flexibility. Owners have to look at past utilization records for DB. What is the owner doing to ensure that the DB contractor follows through with the design build proposal?
- Share knowledge – more understanding that these methods can actually be improvements. Hope we can find ways to capture some of these successes in the report.
- Subcontracting opportunities. Access to small business events – sent to small businesses promptly. Timeliness of delivering contracting or subcontracting businesses is very important.
- Do we know who has the highest value reporting by delivery methods? Do we have the measurements by DB, GCCM, etc? Has this been captured through the various disparity studies?
- Design-Build – interviewed MBE's perspective is different. Viewed through a negative lens.
- More education up front about the different delivery methods – may help small businesses.
- May want to put some of this discussion into the access to training section as well.
- Talk about the whole effort needed for success, not just a check the box.
- Data – people want a summary or analysis that aggregates all available data.
- Use the tools meaningfully and with oversight.
- Data on reported numbers – high concerns with how accurate that data. Which certifications? Lens makes a different. Aligning clearing through communications which apply.
 - Perspective of numbers from a GC – highest – JOC, then DB, then GCCM, then DDB.
- Knowing how to navigate the different delivery methods out there.
- New data collection effort by OMWBE driven by statute... for DB Contracts that Primes report to OMWBE on utilization rates. B2G Now and reporting formats coming. In the future will have more information specific to DB contracts.
- Analyzing the data – How agencies calculate it can be very different.

Action by: Committee

Status: in process

Item: **New Business**

- Agenda setting for next meeting:
 - Heard a lot of good points – might want to pick through discussion a little more.
 - May and June – largely two parts – comments on the draft and follow up on the three access meetings we have had.
 - If we have to squeeze in another meeting in May, may be valuable.
 - Add in the extra meetings as a hold – in case we need them?
 - WSU will add the additional meeting so that we are scheduled for the first Friday and last Friday.

Action by: CoChairs – Schedule additional time.

Status: in process

Item: **Final Word**

- Invite people to look at 22.01 and 22.02. NAMC has invited Directors from public agencies to present their take on April 7 at NAMC at 5:00 pm.
- CPARB has a plan to get to the end of June to share this document and the work of the committee.
- Perspectives and lens make us stronger and more strategic around these issues.

Action by: Committee

Status: N/A

Adjourn 12:01 pm

From Brenda Nnambi to Everyone 10:03 AM

Happy Friday all! Great to see you all! I have to leave at 11:30 for another meeting.

From Kara Skinner to Everyone 10:04 AM

Hi All, I have an 11 am conflict and will also need to leave early. I am in my car and will remove my video for portions of this meeting

From Kara Skinner to Everyone 10:27 AM

I would like to second Chip's comments. Thank you!

From Kara Skinner to Everyone 10:46 AM

I really hate to do this, but I have to head to my next appointment. I am happy to make myself available for questions later. Thank you ALL

From Brenda Nnambi to Everyone 10:53 AM

Just a few Access to Opportunities ideas: 1) encourage SBE/DBEs to sign up for SWR and to get on MRSC rosters; 2) involvement in mentoring programs; 3) addressing and reporting on actions taken to address disparity study recommendations ; 4) don't assume what SBE/DBEs need re: access to opportunities....ask them when developing outreach efforts, training, etc. 5) look for ways to make sure SBE/DBEs know how to do business with your firm/agency

From Brenda Nnambi to Everyone 11:03 AM

Forgot to also include: 6) agencies looking at contract packaging to address access to opportunities. Being more intentional about considering the unintentional barriers created for SBE/DBES on projects that are so large. Look for ways to unbundle when possible.

From Rachel Murata (she/her) OMWBE to Everyone 11:21 AM

Switching to my phone for a few, I'll still be here listening.

From Stephanie Caldwell to Everyone 11:22 AM

Correct. Design Build seems to allow for more flexibility to unbundle scopes of work.

From Cindy Magruder to Everyone 11:29 AM

The UW has been quite successful in increasing our DBE participation using the Design-build delivery method.

From Brenda Nnambi to Everyone 11:30 AM

All good points. Unbundling is not easy but at least the effort to have a discussion about it should be examined. It's been recommended in most disparity studies. At a minimum, look at the possibility.

From Shelly Henderson to Everyone 11:54 AM

I have to log off. I have really appreciated the conversation today and hearing the contractor's and other's perspectives. A lot around unbundling and opportunity to think about.

From Irene Reyes to Everyone 11:55 AM

I'm inviting everyone to attend NAMC gen meeting we have 3 WAsate agency Directors speaking about Executive Orders 22-01 and 22-02. DES, DOT and OMWBE

From Keith Michel to Everyone 11:56 AM

I support just adding the first Friday to our calendars. Let's be honest, plenty to continue discussing every step of the way.

From Irene Reyes to Everyone 11:56 AM

Namcwa.com via zoom April 7th 5 PM

From Cathy Robinson, City of Lynnwood to Everyone 11:57 AM

Great discussions and information sharing. I have to jump off. Have a good weekend everyone.

Draft