

CAPITAL PROJECTS ADVISORY REVIEW BOARD

Via Zoom

Minutes - **Amended**

December 9, 2021

MEMBERS PRESENT	REPRESENTING	MEMBERS ABSENT	REPRESENTING
Janice Zahn (<i>Chair</i>)	Ports	Karen Mooseker	School Districts
Bill Dobyms (<i>Vice Chair</i>)	General Contractors	Rep. Mike Steel	House (R)
Corey Fedie	Public Hospital Districts	Senator Judy Warnick	Senate (R)
Bobbie Forch, Jr.	Disadvantaged Businesses		
Senator Bob Hasegawa	Senate (D)		
Matthew Hepner	Const. Trades Labor		
Janet Jansen	State Government		
Santosh Kuruvilla	Engineers		
Rachel Murata (<i>Alternate</i>)	OMWBE		
Mark Nakagawara	Cities		
Irene Reyes	Private Industry		
Mark Riker	Const. Trades Labor		
Linneth Riley Hall	Transportation		
John Salinas II	Specialty Contractors		
Walter Schacht	Architects		
Mike Shinn	Specialty Contractors		
Kara Skinner	Insurance/Surety Industry		
Axel Swanson	Counties		
Rep. Steve Tharinger	House (D)		
Robynne Thaxton	Private Industry		
Andrew Thompson	General Contractors		
Olivia Yang	Higher Education		

Staff & Guests are listed on the last page

CALL TO ORDER & ROLL CALL FOR QUORUM

Chair 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 & NEW BOARD MEMBERS INTRODUCTIONS

Chair Zahn welcomed and acknowledged the attendance of Senator Hasegawa and Representative Tharinger.

Chair Zahn congratulated Mark Nakagawara on his recent appointment by the Governor's Office to fill the Cities position. She thanked and acknowledged Walter Schacht representing Architects and Andy Thompson representing General Contractors for their continued service. The Governor's Office has not appointed members for those two positions.

Mark Nakagawara shared that he is looking forward to the opportunity to serve on the Board.

APPROVE AGENDA – Action

Chair Zahn deferred approval of the October 14, 2021 minutes until the next meeting.

Andrew Thompson moved, seconded by Robynne Thaxton, to approve the agenda as modified. A voice vote unanimously approved the motion.

APPROVAL OF NOVEMBER 1, 2021 SPECIAL MEETING MINUTES – Action

Andrew Thompson moved, seconded by John Salinas II, to approve the minutes of November 1, 2021, as published. A voice vote approved the motion. Robynne Thaxton abstained.

INVITATION FOR PUBLIC COMMENTS – Information

Chair Zahn invited public comments.

There were no public comments.

Olivia Yang joined the meeting at 8:15 a.m.

OPENING THOUGHTS OF ALL BOARD MEMBERS – *Informational*

Chair Zahn encouraged members to share opening thoughts.

- Janice Zahn: She is excited to learn some information from some of the scheduled speakers.
- Corey Forch: He is looking forward to spending time with family during the holiday season.
- Bobby Forch, Jr. He is open, excited, and committed.
- Senator Hasegawa: He is scrambling to prepare for the legislative session.
- Matthew Hepner: He is also scrambling to prepare for the legislative session.
- Janet Jansen: She is excited for the outcome of the meeting.
- Santosh Kuruvilla: He wished Boardmembers and their families a happy holiday season.
- Mark Nakagawara: He is happy to be in attendance and getting started.
- Mark Riker: He is glad to be here and is busy.
- Linneth Riley Hall: She is excited to be in attendance and excited to get the program moving along and being engaged and focused.
- John Salinas II: He feels dynamic as many things are occurring and he is trying to balance many things.
- Mike Shinn: He is happy to attend, has an open mind, and is hopeful other Boardmembers have an open mind because not everyone has the same opinion on issues.
- Walter Schacht: He is pensive, as he has stated previously, because he continues to hope that the Board can turn the focus of the conversation back to the delivery methods which inherently focus on teamwork, collaboration, and have a significant potential of increasing equity in contracting. To the extent the Board turns back to the tasks of the Board, it may be possible for members to learn about each other and the potential of the Board.
- Kara Skinner: She is feeling especially grateful and is excited to contribute.
- Axel Swenson: He is happy to be in attendance and looking forward to the meeting and the agenda.
- Representative Steel: He was glad to fit the meeting on his calendar and looks forward to checking on the status of the Board. He is appreciative of the work and participation by the Board.
- Robynne Thaxton: She is very interested on the agenda topics and the input by the Board. She has been involved in many industry activities and is excited to further best practices within the industry.
- Andrew Thompson: The Board has nine new members and his thoughts center on the importance of being aware. It is also worthy to note the attendance of Senator Hasegawa and Representative Tharinger right before the new legislative session. The work of the Board is to support legislators in their efforts on alternative delivery methods. He is appreciative of new members and believes many capable people are represented on the Board.
- Rachel Murata: She is feeling excited to share and learn what others have been doing.
- Olivia Yang: She hopes to be back on track after being momentarily distracted.

ENGAGEMENT GUIDELINES

Shared Commitments – *Discussion/Breakout Exercise*

Chair Zahn reported on the continuing work of engagement and commitments. The important work moving forward on best practices and changes to improve equity and inclusion will involve several new and current Boardmembers. She introduced Marika Barto with the Office of Minority and Women’s Business Enterprises (OMWBE), to continue the next phase of the Board’s development on Shared Commitments.

Senator Hasegawa and Representative Tharinger advised they would be participating in the meeting intermittently as they both have other legislative commitments throughout the day. Representative Tharinger commented on the importance of the Board and the diversity represented by Board membership.

Ms. Barto outlined the next steps of the Board's efforts to establish Shared Commitments of Respect, Listen to Understand, Accountability, Purpose/Results Oriented/Efficient, and Inclusion. The final exercise is to reach consensus on the set of Shared Commitments. She reminded the Board how each member is personally invested as a representative of an organization, group, or stakeholders and the importance operating in a space where all voices and interests are considered. Shared Commitments is a process enabling members to work together in a respectful environment.

Ms. Barto cited a quote by Audre Lorde to kick off the final exercise. *"It is not our differences that divide us. It is our inability to recognize, accept, and celebrate those differences."* That theme is important because it recognizes acceptance and celebrating differences that are embedded in the Board's shared commitments to each other. The agenda for the breakouts includes designation of a notetaker, review of the Survey Results, and working collaboratively to combine similar commitments, review commitments not supported by some members, review five comments from the survey results, and ensure all members have a voice in the process. Fifteen members completed the survey. Some new members may not have had an opportunity to complete the survey. She stressed the importance for new members having an opportunity to voice opinions and thoughts. Following the 40-minute breakout session, the Board will meet and share information on the results of each group's session.

Ms. Barto provided additional direction to members on the process for participating within their assigned breakout room.

Talia Baker provided a link in the chat function on the Shared Commitment document for members of the public.

Irene Reyes joined the meeting at 8:30 a.m.

Representative Tharinger disconnected from the meeting at 8:30 a.m.

Chair Zahn recessed the meeting at 8:31 a.m. for approximately 40 minutes for breakout sessions.

Bill Dobyms joined the meeting at 8:58 a.m.

Linneth Riley Hall disconnected from the meeting at 9:00 a.m.

Chair Zahn reconvened the meeting at 9:16 a.m.

Ms. Barto invited feedback from each of the five breakout groups on their respective discussions.

Group 1: Andrew Thompson, Mark Nakagawara, Rachel Murata, and Walter Schacht

Ms. Murata reported the group engaged in good discussions on some of the statements in support of each shared committee. Several members preferred to combine some statements. The group reached a consensus on some statements to combine. Of the statements not supported for consolidating, members shared different reasons. Within the theme of "Respect," several members were not comfortable combining some statements. Members discussed "Accountability" and within the list of statements, several members were concerned "calling in" could be misinterpreted and recommended substituting language similar to "speaking with empathy and a focus on shared understanding" rather than shaming someone to make the right choice/decision. The group stressed the importance of the including terminology that would be understood equally by all members.

Mr. Thompson noted one of the statements (#9) under *Listen to Understand* stating, "being able to hear, consider, and adopt other perspectives" was considered for removal. He explained his support for removal of the statement because should someone not adopt another person's perspective it could be interpreted differently rather than as a member representing their respective stakeholder group. An important aspect of CPARB is for all members to listen and consider while working through the process with an understanding that it might not be possible to reach consensus.

Group 2: Axel Swanson, Janet Jansen, Janice Zahn, and Mark Riker

Mr. Swanson reported members reviewed each of the five shared commitments beginning with the recommendations for combining some statements. The group selected one statement/sentence that reflected the best sentiment of the commitment with the other statements incorporated.

Chair Zahn said the group also discussed accountability and expectations, and acknowledged that all Board members are incredibly busy and the importance of members understanding their respective commitment(s) clearly, as well as ensuring members are focused on the mission of the Board and making meaningful progress.

Janet Jensen added that the group created some statements for each of the five commitments that could possibly be combined with existing statements.

Group 3: Bobby Forch, John Salinas II, Matthew Hepner, and Robynne Thaxton

Ms. Thaxton said the group initially discussed the genesis of the five shared commitments and the difficulty of ranking the statements, such as honesty and listening. Many of the statements could be combined. The group believes it was possible to synthesize the statements to be honest, be respectful, listen, and consider people's opinions, and be professional as each member represents a different constituent group and that a member's representation of their constituency should not be taken personally by another member. CPARB is a body that follows processes and members should respect others in addition to the work they contribute to the process. Members also discussed the meaning of accountability. Participation can mean preparation and following through by ensuring each member is prepared, is working with its constituency, and is contributing with a positive intent and not assuming the worst of other opinions. Many of the statements can be consolidated to a finite list as many of the statements were generated by the need to ensure members listen to one another, are prepared, and complete the work as dictated by the Board's scope. Ms. Thaxton offered to assist in drafting a synopsis of statements under each shared commitment as many could be combined.

Group 4: Corey Fedie, Kara Skinner, Mike Shinn, and Santosh Kuruvilla

Ms. Skinner said she served as the notetaker for the group's discussions.

Mr. Fedie added that as he and Ms. Skinner are new members, and they lacked the history surrounding the exercise. The group's discussions were similar to Group 3's discussion as some of the statements were duplicative or redundant. The group supported consolidating some of the statements. The group agreed with the notes that were provided to the group.

Ms. Skinner noted that she and Mr. Fedie were unsure as to the catalyst for the exercise. She supports the exercise and appreciated participating. The group did not manage its time as originally anticipated; however, the group was able to review each commitment. She offered to share typed notes of the discussion.

Chair Zahn asked notetakers to forward group notes to Ms. Barto for consolidation. The purpose of the shared commitment process was mainly due to the recognition that the Board is now comprised of both legacy and new members, and it is important to establish some ground rules of conduct to ensure the work is respectful, efficient, and effective and fulfills the mission of CPARB while ensuring the Board is able to work together in a way that honors all members.

Group 5: Irene Reyes, Olivia Yang, Senator Hasegawa, and Linneth Riley Hall

Ms. Yang said the group spent most of its time on the first group of statements. The comments are not different from other comments shared by the other groups except there were many layers of the same topic. The group's efforts focused on consolidating the statements to avoid duplication.

Senator Hasegawa said the statements under each of the shared commitments are important because they are different components of respectful communications. Prioritizing the statements individually might not make sense. He appreciated the review by the group.

Ms. Reyes said she is speaking as a woman who owns a minority business. The statements are very important to her personally and she believes the statements are just as important to the minority business community because at times they

have experienced disrespect, been excluded from conversations and meetings, and have been looked down upon. She believes if the shared commitments are implemented by the Board, respectfulness and listening skills will ensure members are accountable.

Chair Zahn thanked members for participating in the exercise. She invited interested members to contact Ms. Barto to assist in finalizing the shared commitments document. Ms. Barto advised each group to forward their notes so she can begin synthesizing the information. She will forward an email to members for assistance in developing a draft for presentation at the February meeting.

Linneth Riley Hall returned to the meeting at 9:35 a.m.

Chair Zahn recessed the meeting at 9:35 a.m.

Chair Zahn reconvened the meeting at 9:45 a.m. Ms. Baker confirmed a meeting quorum.

LEGISLATIVE BILL TRACKING – Information

Ms. Baker briefed members on efforts by DES to maintain, track, and monitor legislative activity during each legislative session. Bills of interest to the Board are posted on CPARB's webpage and updated frequently during the session. Sources of information include daily monitoring of bills from the Washington State Legislature's website, information provided by Ann Larson, the agency's legislative liaison, and from members of the Board and the Project Review Committee. Members are encouraged to copy her with any bills of interest to the Board. She shared an example of a weekly bill activity sheet from last year's session. With the advent of any new information, the sheet was updated and included links, sponsor information, and the status of the bill. Other bills of interest or companion bills are tracked as well.

Chair Zahn invited feedback on the tracking of legislative bills.

Ms. Thaxton said she visits the site often to ensure she is updated on legislation. She thanked Ms. Baker for her efforts.

PROPOSED LEGISLATION – LOCAL GOVERNMENT DRAFT BILL – Information

Chair Zahn reported the Board, at its special meeting on November 1, 2021, elected not to submit an official response to Representative Pollet's proposed legislation on local government public works because of the ability for a two-way flow of information between the House Local Government Committee and DES and OMWBE. She attended a follow-up meeting with Representatives Pollet, Goehner, Ryu, and Valdez and staff from DES, OMWBE, Department of Labor and Industries, and the Governor's Office. The discussion focused on data collection by different agencies for public contracting. The information shared with the legislators included current data collection efforts by different agencies and data gaps that might exist.

Ms. Murata added that information shared with the legislators included current data collection efforts and an overview of all state agencies collecting and retaining data on contracting and spending. Representative Pollet emphasized the pressure legislators have been receiving to reach some resolution this year after deferring requests for the last several years. He is seeking some assurances that small works rosters would be used equitably in exchange for some changes to the thresholds. He is also interested in receiving feedback on ways to improve the bill in terms of equity to ensure rosters are utilized fairly. He asked for comments on the type of metrics to measure outcomes if a tiered threshold model was considered for the small works roster.

Ms. Thaxton inquired as to where to direct some comments as some of the provisions could be subject to different interpretations. Chair Zahn invited Ms. Thaxton to submit her comments to her so she can forward them to Representative Pollet.

Chair Zahn added that some of the issues of interest to Representative Pollet tie directly to the work in progress by the Business Equity/Diverse Business Inclusion (BE/DBI) Committee. However, a gap exists between the adoption of the bill during the 2021 session versus the timing of when the committee presents recommendations on best practices for contracting.

Ms. Thaxton clarified that her comments pertain to clarity in several of the provisions.

Ms. Yang added that there appears to be opportunities in the small works roster to support how the BE/DBI Committee best practices recommendations could be implemented. The best practices report is not scheduled for completion until the end of June well beyond the close of the legislative session. Parallel but independent of any BE/DBI Committee best practices is a growing awareness by some users of small works roster of an opportunity to rewrite or edit the small works roster RCW because it represents a collection of incremental changes over decades. A refresh of the RCW incorporating BE/DBI Committee best practices in contracting could result in a good package.

Chair Zahn said the challenges in the timing was one of the reasons the Board determined that although members had some feedback and thoughts that could be individually provided, the Board recognized the committee's work was not complete and extracting some components not fully vetted by the Board was not necessarily productive. She cited Mr. Thompson's chat comment as to whether the bill has been pre-filed. Staff advised that DES is unaware whether the bill has been pre-filed. Chair Zahn noted that a copy of the draft bill was attached to the November 1, 2021, Special Meeting agenda and can be accessed from the website.

Ms. Riley Hall inquired as to the avenue for members to pursue if they have comments on Representative Pollet's proposed legislation. Additionally, a collection of comments from members creates a challenge when forwarded, because it may reflect the comments are represented as the Board's comments without the benefit of each member having an opportunity to review individual comments. She also is concerned with a bill moving forward and passing without any feedback or position by the Board.

Walter Schacht disconnected from the meeting at 10:06 a.m.

Chair Zahn explained that staff would consolidate the comments and forward them collectively with a notation that the comments were individually submitted by members.

Mark Riker reported he was able to meet with Representative Pollet to discuss some potential concerns of his constituency. Some of the concerns surrounded a belief that some of the pending items within the initial study should be completed. He plans to share input from Representative Pollet with his affiliates to prepare a proper position statement to provide to Representative Pollet and the Board.

Chair Zahn responded that some of the challenges of the proposed legislation were elements the Board had not considered, and some were part of the workplan for the BE/DBI Committee. She thanked Mr. Riker for providing feedback.

Chair Zahn said in terms of how the Board addresses bills where the Board has not rendered a position or lacked the time to consider the bill, members conveyed during the special meeting that the Board would not render a vote nor send any official communication to Representative Pollet. The Board is able to engage in further discussion on whether to develop an official position understanding that the challenge of timing still exists as the next meeting is scheduled in February during the session. From a practical standpoint, it likely would not be possible to provide any meaningful feedback. She invited feedback from members.

Mr. Thompson cited some historic context surrounding Senate Bill 5418 and the current situation. Although the Board might be engaged but unable to provide a position as an entity, members have the individual option of providing feedback as long as the feedback is not framed on behalf of CPARB.

Chair Zahn thanked Mr. Thompson for the clarification and asked members to forward any comments on the proposed legislation to Ms. Baker.

Senator Hasegawa commented that should he receive a letter with recommendations from the Chair of the Board, he would assume the comments were from the Board. All members as individuals have the ability to contact legislators

directly, which might be the preferred method rather than forwarding comments that are consolidated from the Board. Correspondence that includes a collection of comments could be misinterpreted as an official position by the Board.

Chair Zahn thanked Senator Hasegawa for the feedback and suggested forwarding a message to members with the contact information for Representative Pollet to enable members to forward their comments directly to Representative Pollet.

COMMITTEE REPORTS

Project Review Committee (PRC)

Mike Shinn, PRC Chair, referred to the meeting summary of PRC's last meeting. The PRC considered the following three projects:

1. Western Washington University – House of Healing Longhouse – Progressive Design-Build Project
2. Renton School District – Renton High School Phased Science Rooms Modifications – GC/CM Project
3. Alamira School District – Almira School Fire Replacement – Progressive Design-Build Project

All projects were approved. The Almira School Fire Replacement project generated discussion by the panel; however, the panel believed the school district followed all the guidelines and with a vote of 6/8, the project was approved.

Mr. Shinn invited comments on the projects approved by the PRC on December 2, 2021.

Mr. Thompson said a repair or a project in response to a fire likely required a quick process to prepare for the project versus a project included in a capital program. It is likely funding would have been an issue in that circumstance. Mr. Shinn affirmed the school district moved quickly because of need. As a member of the PRC for 17 years, he has never witnessed a project moving as quickly; however, the circumstances dictated the speed. The school district followed the guidelines and received approval despite the panel's extensive discussion.

Ms. Thaxton commented on her surprise to learn that the Almira School District had begun the procurement process and had selected its Design-Build team prior to PRC approval of the project. She reviewed the statute and based on provisions in the statute, an agency could begin the procurement process, which speaks to the possibility of a trend. She suggested any changes in the provision would require CPARB to initiate legislation. It appears the school district complied with the statute; however, it speaks to an agency pursuing the procurement process short of signing a contract and then seeking PRC approval. The Board should consider a discussion at a future meeting.

Ms. Riley Hall added that the Renton School District also had advertised its project prior to seeking PRC project approval. She agreed the Board should pursue a conversation because the perception is that the PRC is essentially a rubber stamp as the agency has moved forward on procurement despite sharing that the district had considered if the PRC had not approved its project, the district would cancel the advertisement and construct the project under a different delivery method. The Board should consider whether it is appropriate for the applicant to initiate a procurement process prior to seeking PRC approval of a project to avoid the perception that PRC serves only as a rubber stamp.

Mr. Shinn said during the last 17 years, those types of actions have not been a standard practice. The Renton School District is not the first agency advertising prior to seeking PRC project approval. In some circumstances, the PRC disapproved a project only to have the Board overturn its ruling when the applicant appealed. Those circumstances are rare and likely would not become a standard. The PRC has never received a project application to replace a building lost to fire. CPARB elected PRC members for their expertise and to represent their respective industry. The Board should not discredit the actions of the panel.

Ms. Riley Hall noted the Renton School District project is different from the fire project. The Renton School District project received unanimous approval; however, she believes the Board should engage in a conversation at some point as to whether or not the PRC panel agrees initiating a procurement process to the extent possible prior to seeking PRC project application is acceptable to ensure the process is transparent and everyone knows the rules.

Mark Riker disconnected from the meeting at 10:22 a.m.

Mr. Kuruvilla conceded that his comments are of a difficult topic and apologized for speaking to the issue; however, it speaks to how PRC conducts itself as an objective body. Although he did not attend the meeting, he received information secondhand that at least one of the panelists offered assistance to the project proponent, which he believes is inappropriate. As a PRC member representing CPARB, it is important to be objective. It may necessitate some training of PRC members in terms of conduct when reviewing project applications to ensure impartial and objective outcomes. He suggested scheduling a discussion during a future meeting.

Vice Chair Dobyns requested clarification as to whether a private agency with public funding is required to seek project approval by PRC.

Ms. Yang said the intent of her comments should be perceived as protective of the integrity of PRC and the Board. With the advent of numerous questions, it is troubling and in some ways the actions/decisions by PRC should be indisputable because it was conducted in a way that was true to the spirit of the law and not just to the letter of the law. Although she supports public owners, she also believes the integrity of PRC should be undisputed. The questions numerous questions raised about PRC's process have accumulated over time. She suggested the Board should follow up and examine the issue of PRC's role and responsibilities along the lines of maintaining the integrity of PRC. The review could be the responsibility of the Board Development Committee. She asked about the possibility of scheduling a special PRC meeting to assist in meeting an agency's project timeline.

Mr. Shinn advised that scheduling a special meeting was not possible to meet the timing needs of the projects because of public noticing requirements. He was not a participant on any of the panels at the December meeting.

Senator Hasegawa pointed out the difficulty of understanding the contracting process with respect to timelines and requirements. He recommended scheduling a Board training session for members who are not well versed on the contracting process prior to any detailed conversations. He asked whether a project would be in more jeopardy or under more scrutiny if a contractor has been selected prior to the PRC review because of the requirement to conduct appropriate outreach to minority business enterprises.

Mr. Shinn advised that six general contractors submitted applications for the Almira School District project. The Design-Build delivery method typically includes more outreach than other delivery methods.

Ms. Reyes conceded the topic is sensitive for discussion. She has heard from stakeholders (MWBs) and some prime contractors about some conflicts of interest that have been questioned at the PRC level. Secondly, the best analogy afforded to her by MWBE stakeholders and some general contractors was that it was similar to a popularity contest amongst contractors or project managers. Thirdly, she has heard other stories as well and that it is never ending and speaks to conflicts of interest and accountability.

Chair Zahn said she afforded time to enable members to have a conversation about the PRC and the applications. To honor the commitments each member have promised about showing up, it is important to focus on process and clarity of expectations because the Board acts as a body and appoints members to the PRC. PRC members act on the Board's behalf. It is also important to afford more time for a longer conversation at a future meeting. She summarized one of the requests to seek clarification on whether statute language enables owners to advertise and select a general contractor without seeking approval from the PRC. According to RCW 39.10.280.1 a public body not certified under RCW [39.10.270](#) must apply for approval from the committee to use the design-build or general contractor/construction manager contracting procedure on a project. The issue is whether advertising sets the intent of the delivery method without the benefit of approval from the PRC.

Mark Riker rejoined the meeting at 10:39 a.m.

Chair Zahn said another issue is to ensure against conflicts of interest if a panel member is providing advice to an applicant. In terms of the school district and the fire replacement project, she had the opportunity to attend the panel review and based on provisions in *RCW 39.04.280 – Competitive Bidding Requirements – Exemptions*, procurement of public works is allowed during an emergency with the proponent presenting information to the PRC for the basis for the

exemption with records open for public inspection. The advice the owner received may have steered them in a different direction. It is important for the Board to ensure members are knowledgeable and well versed on the applicable statutes to avoid situations that create issues and concerns. The questions and concerns warrant another Board discussion. One of the tasks for completion by the Board Development Committee's is a review of PRC processes and onboarding. Unfortunately, the Board Development Committee report is not available at this time. Chair Zahn said she plans to follow up with the chairs of the committee.

A majority of the Board agreed to schedule a discussion at the next meeting.

Because of the lack of time, Chair Zahn deferred the OFM Construction Cost Assessment presentation to the February meeting.

PRC Appointments – Action

Nancy Deakins displayed a list of applicants for the vacant positions. She asked applicants to speak to their application.

Design Industry-Architect – 1 Position

Thomas Golden said he is applying for a second term on the PRC and has enjoyed serving for the last three years. The first several years were essentially on-the-job training with the position affording him a learning opportunity and an ability to receive great information and knowledge from other members. He wants to continue serving.

Mr. Thompson asked Mr. Golden to share his top two learning experiences. Mr. Golden said he discovered a huge range of knowledge by public agencies with some very sophisticated and knowledgeable mostly because of size while other smaller agencies, such as the Almira School District not having the same level of knowledge. The process of assessing the collective knowledge of each owner and what alternative delivery means to each public owner has been a learning experience.

Ms. Reyes asked Mr. Golden to describe two challenges he has encountered and how he managed to overcome those challenges. Mr. Golden replied that most of the applicants appearing before the PRC receive approval; however, in one instance when he served as panel chair, an application proved challenging requiring him to guide panel members to identify the challenges and issues associated with the project proposal. The panel unanimously denied approval of the application because it was very clear to members why the proposal should be denied. As the chair, he was able to identify all the reasons for denial.

Irene Reyes nominated Thomas Golden to serve on the PRC representing Design Industry-Architect. A voice vote of members unanimously appointed Thomas Golden to the PRC in the position representing Design Industry-Architect.

Owner-Cities – 1 Position

Kyle Twohig reported he is the Director of Engineering Services for the City of Spokane. He completed his first term on the PRC and hopes to be reappointed to a second term. His professional background spans vertical and horizontal construction. During his career with the City of Spokane, he has completed all forms of alternative delivery with the exception of Job Order Contracting ranging from Design-Build, GC/CM, Progressive Design-Build, and three Heavy Civil GC/CM for a large municipal wastewater project. He believes he contributes his diverse background and understanding of the nuances of alternative delivery methods that many owners face from the unique nature of some heavy civil underground projects that are far less predictable than a vertical project, such as a school. He also has had the opportunity to complete a pair of vertical projects in Eastern Washington with most of his experience from the eastside of the state. He has a good understanding of the challenges facing Eastern Washington and appreciated serving on the PRC. The opportunity to serve has been valuable to him, as it has afforded an opportunity to work closely with other municipal and agency owners in Eastern Washington to share knowledge. Although the frequency of projects in Eastern Washington is less than in other larger areas, it is important for agencies to share knowledge about their respective experiences.

Mr. Thaxton remarked that she has worked with Mr. Twohig on several projects as well as presenting project applications to panels he served on as a member. Mr. Twohig is incredibly experienced and deliberative and reviews each project with a clear eye. She supports his application for another term.

Mr. Reyes asked Mr. Twohig to describe what he would recommend to a new committee member and why. Mr. Twohig said his recommendation would be to observe panels as a non-participant to obtain an understanding of the flow of the review prior to serving on a panel because it assists new members in observing more experienced members, the type of questions, and what information they are seeking. Sometimes the details of assessing a project and an owner are not the textbook compliance factors but questions as to how an owner pursues education of their staff. Some owners are very experienced and provide opportunities while many are not. It is important to ask questions about how the applicant has prepared for the project and what resources they will utilize. It is important for new members to observe to consider the realm of information considered when evaluating a project proposal.

Linneth Riley Hall nominated Kyle Twohig to serve on the PRC representing the position of Owner-Cities. A voice vote of members unanimously appointed Kyle Twohig to the PRC in the position representing Owner-Cities.

Owner – Transportation – 1 Position

Eza Agoes thanked members for the opportunity to speak to her application. She is pursuing the position to represent transportation agencies. She currently works at Sound Transit and has been with the agency since mid-2015. Sound Transit completes many Design-Build projects, GC/CM projects, and Heavy Civil GC/CM projects. Her overall experience in the construction industry spans 21 years with 15 years using alternative delivery contracting methods. Transportation projects include runways, tunnels, bridges, gateways, and station projects, light rail, and parking garages. She served in the private sector as a design-builder, which enabled her to have a solid understanding of Design-Build regulations, best practices, and lessons learned. She has completed the AGC GC/CM training, received DBIA certification, and is confident she is a good candidate for the position. She cited additional details contained in her letter of application, invited questions, and expressed appreciation for the Board's consideration.

Mr. Thompson conveyed appreciation of her background and heavy civil experience.

Irene Reyes nominated Eza Agoes to serve on the PRC representing the position of Owner-Transportation.

Ms. Riley Hall added that she contacted Ms. Agoes because of her experience in alternative delivery and because of her thoughtfulness as she proceeds through the delivery methods and complex issues related to those methods. She has the ability to influence all alternative delivery projects and share her knowledge.

A voice vote of members unanimously appointed Eza Agoes to the PRC in the position representing Owner-Transportation.

Private Sector – 1 Position

Ms. Baker advised that the applicant, Timothy Buckley, was not in attendance. Mr. Buckley is seeking reappointment having served on the PRC for the last three years. She invited members to speak on his behalf.

Mr. Shinn shared that he has served with Mr. Buckley, and he understands alternative delivery. He supports his application and encouraged members to support his nomination.

Mr. Reyes inquired about the number of vacant positions and whether DBEs are represented on the committee. Ms. Baker advised that new requirement for each PRC panel to include a DBE representative recently became effective. Currently, one appointed member represents MWBE and qualifies to serve as a DBE representative. The member has been serving on all panels. A number of other members also ensure DBE is represented until an official DBE member is appointed. The PRC currently has three vacant positions. The position announcements are ongoing until positions are filled. The position of Construction-Trades Labor has been vacant for some time. Mr. Riker had pointed out that Mallorie Davies was interested in submitting an application or letter of interest for that position.

Mr. Riker pointed out that due to miscommunication on his part, Ms. Davies did not submit an application in time, which will be rectified for consideration during the February meeting.

Mr. Kuruvilla said he prefers applicants present their application to the Board and is disappointed Mr. Buckley was not in attendance. For those reasons, he likely would abstain from the vote.

Chair Zahn offered that since the position does not expire until the end of February, the Board could defer voting on an appointment until the February meeting.

The Board agreed to defer action on the position until the February meeting and extend an invitation to Mr. Buckley to attend the February meeting to speak to his application and answer questions.

Walter Schacht rejoined the meeting at 11:05 a.m.

OMWBE CONTRIBUTION PRESENTATION– *Information*

Chair Zahn reported the presentation on recent efforts by OMWBE informs the current work of the BE/DBI Committee.

Ms. Murata reported OMWBE was established in 1983 through legislation to mitigate societal discrimination and other barriers to minority and women-owned businesses participating in public works and providing goods and services. To achieve those objectives, OMWBE established a program to include certification of minority and women-owned businesses and maintenance of the directory of certified businesses so state agencies, prime contractors, and educational institutions can locate businesses. OMWBE offers a Supplier Diversity Program whereby OMWBE works with state agencies and higher education institutions to set goals, develop inclusion plans, and report on performance outcomes of equitable participation in contracting. The agency offers a Linked Deposit Loan Program providing certified businesses with reduced interest rates on qualifying loans up to a 2% reduction. The agency provides staff support and coordination for the Governor's Subcabinet on Business Diversity, responsible for implementing the 2019 Statewide Disparity Study Recommendations. Over the last several years, the Subcabinet has been working on Tools for Equity and Public Spending, a set of equitable business practices that are proven to increase access to contracting opportunities. Tools are available for forecasting internal processes, inclusion plans, master contracts, and outreach. The tools were developed by the Subcabinet with OMWBE's coordination and are available on the website. OMWBE hosts support sessions monthly to assist agencies secure needed support to implement the tools.

OMWBE's Supplier Diversity Unit is headed by the agency's Assistant Director, Timolin Abrom. The unit is tasked with working with agencies one-on-one to improve performance in utilizing minority and women-owned businesses. The unit assists agencies with the development of inclusion plans to maximize the opportunity for small, minority, and women-owned businesses, and establish annual goals for each state agency and educational institutions. The goals are new methodologies using available data from the 2019 Statewide Disparity Study of the agency's historical spending to ensure goals are appropriate for the agency based on the industries in which they typically spend money and the availability of certified businesses in each of those areas where funds are expended. The unit also publishes annual reports on spending by each agency and higher education institutions. The unit has expanded significantly over the last several months from one staff member to five staff members to work with agencies to create more detailed inclusion plans. OMWBE also received new compliance authority.

This year, House Bill 1259 was enacted by the Legislature to improve accountability and transparency in state contracting. Among other changes, the bill requires OMWBE to identify agencies and higher education that are in the lowest quintile for spending by OMWBE firms and those that are performing significantly below goals. For those agencies, OMWBE is required to work with them to develop corrective action plans with details on how the agency will improve performance on equity. The bill also created an investigative unit in OMWBE to act on complaints.

OMWBE's new Business Diversity Management System was developed from the top recommendation from the 2019 Statewide Disparity Study directing the state to improve its data collection for monitoring and compliance. The study noted a need to track industry information to identify where businesses are certified compared to where businesses are working, which is an essential element for compliance and monitoring work to move the state forward. The study also

specified the information must be available for prime and subcontractors. To accomplish that direction, OMWBE has been developing a system by collaborating with B2GNow, a software vendor with experience working with other entities across the state and country on similar work. The system enables agencies, primes, and subs to enter information on the work underway and payments paid. The information is integrated with the certification database to identify which businesses involved are certified. The system provides OMWBE with data it needs to report on agency performance and on the timeliness of payments, which is an issue for many certified businesses. The system also provides data necessary to complete the analysis to help agencies improve performance by identifying issues in real time. Agencies will have access to the data in real time rather than receiving a year-end report. Included in the system are two separate modules to provide agencies with more tools to create a robust agency system. One tool is the outreach module to help agencies locate certified businesses and coordinate events. The second is an inclusion plan module to assist in simplifying monitoring for compliance.

OMWBE is nearing completion of a feasibility study connected to the Business Diversity Management System. To date, all data collection reporting has been for state agencies and higher education institutions. However, as part of the legislative bill this year reauthorizing CPARB, a new requirement was included for entities using Design-Build contracting to require prime contractors to report on its utilization of certified, minority, women-owned, and veteran businesses. The feasibility study is exploring resources necessary to implement the new requirement, which would require expansion of the system to some local government entities. The selection of B2GNow was due to its ability to scale systems and its experience with other contracting entities in the state, such as WSDOT, DES, and some local governments. The feasibility study will identify what is necessary to connect the systems and add local government users utilizing Design-Build for projects.

Based on PRC's recent certifications for Design-Build, OMWBE is working with approximately 23 entities as part of the feasibility study by manually collecting current data and working with the entities to develop a permanent reporting method using the agency's Business Diversity Management System. As the work connects with the Board's work, the Board will receive updates as the project moves forward to ensure data collected is useful. The agency is appreciative of the assistance by the PRC to ensure new applicants are aware of the new reporting requirements.

Ms. Murata updated members on the draft of an Executive Order developed by the Subcabinet at the request of the Governor's Office. The purpose of the order is to achieve equity in public spending by state agencies and to provide a layer of accountability by requiring agencies to adopt the tools and best practices developed by the Subcabinet, provide for training and technical assistance for implementation, and provide for the collection and reporting of public spending data for accountability and transparency. OMWBE provided a public comment period and hosted several listening sessions. The agency is working with the Subcabinet to respond to all comments and identify potential changes to the order. The goal is to present the draft executive order to the Governor's Office by the end of the year for consideration. The draft is posted on OMWBE's website. She offered to include a link in the meeting's chat function.

Ms. Reyes reported that as a state contractor, much confusion has occurred by end users of agencies questioning OMWBE's authority and under what guidance the agency is auditing agency diversity spending. Ms. Murata offered to provide the specific governing statutes authorizing the agency's authority. Ms. Reyes asked about the steps or consequences the agency could impose if the numbers are too low.

Ms. Abrom offered additional information and explained that inclusion plans are important to the OMWBE's work. Some of the questions within the inclusion seek a list of specific measures the agency plans to initiate to increase participation of certified businesses. For agencies with 100 or more employees, the agency will be asked whether the policy and procedures would be communicated and shared with all employees. Also requested is a statement of commitment from the agency head on how it plans to achieve the goals and maximize opportunities for certified businesses, as well as, identifying an employee(s) with the responsibility and authority to ensure implementation of the plan. As a prior small business owner with 30 years of contract and procurement experiences, she also experienced the same roadblocks as other small businesses are experiencing. The intent is to add supplemental questions on those issues that are meaningful and impactful to enable OMWBE to assist agencies. OMWBE staff continue to meet with agencies annually and the intent is to meet with agencies quarterly once the system is implemented to keep updated on spending so corrective action plans can be implemented if the agency is not meeting goals. The inclusion plan provides the information. The agency's

strategic plan includes details for ensuring agencies are accountable. OMWBE is committed and authorized through House Bill 1259 to send names of agencies not meeting its goals to the Governor's Office and to the Legislature. Ms. Abrom offered to meet with Ms. Reyes to discuss the agency's strategic plan and commitment to all certified businesses and agencies.

Mr. Salinas asked about the funding OMWBE received to assist with complaint filing and whether it is geared to assist businesses or agencies. Ms. Murata explained that House Bill 1259 is broad and the investigative unit the bill created handles complaints of any individual who violates statutes, which could include a business, a certified business, or a business serving as a prime or subcontractor. Other provisions in the bill address agencies and compliance in terms of pursuing equitable practices to ensure spending with certified firms occurs.

Chair Zahn thanked Ms. Murata for the update. As the agency moves forward, the Board will likely have additional questions on the executive order and the system. She encouraged OMWBE to provide updates at future meetings.

Chair Zahn recessed the meeting at 11:26 p.m. for a break.

Chair Zahn reconvened the meeting at 11:30 p.m. Ms. Baker confirmed a meeting quorum.

COMMITTEE REPORTS - CONTINUED

Business Equity/Diverse Business Inclusion Committee – Information

Mr. Kuruvilla, Co-chair, reported the committee was established approximately 18 months ago and initially co-chaired by Lisa van der Lugt and Walter Schacht. Since then, co-chair duties were assigned to him and Olivia Yang. The committee essentially follows the intent of Senate Bill 5032 Section 20, which speaks to a renewed and a heightened focus on diversity, equity, and inclusion. The committee is organized in two groups represented by an External Stakeholder Group headed by Irene Reyes and Linda Womack and the Best Practices Committee headed by Aleanna Kondelis and Brenda Nnambi with Sound Transit. The Best Practices Committee established different activity groups and drafted a problem statement for best practices guidelines.

Senate Bill 5032 directed the development of best practices guidelines on diversity, equity, and inclusion with a delivery date to the Legislature by the end of June 2022.

Committee members have been gearing up for submission of the manual. Over the course of the next four meetings, the Board will receive updates on the status of efforts. The committee is meeting twice a month to complete the guidelines. At the October CPARB meeting, several general contractors shared real-life stories on barriers they identified for smaller and disadvantaged businesses. This update will include speakers from Sound Transit and the Washington State Department of Transportation (WSDOT). Following the presentations, the Board will be asked to consider a survey the committee would like to conduct. Although small businesses have participated in many surveys on disparity and equity, the committee believes it is important to complete a survey to assist the committee in validating some of the practices within the guidelines.

Mr. Kuruvilla introduced Jonté Robinson, Chief Diversity, Equity, and Inclusion Officer with Sound Transit.

Ms. Robinson spoke to Sound Transit's work on achieving greater equity and inclusion in public contracting. On behalf of Sound Transit's CEO, Peter Rogoff, she thanked the Board for appointing Eza Agoes, Deputy Project Director for Downtown Redmond Link Extension, to the PRC.

Ms. Robinson reported Sound Transit is currently constructing the largest transit infrastructure project in the state, which will expand light rail from 22 miles to 62 miles in the next three years and increase the number of stations from 22 to 50 stations. The project is a tremendous responsibility and with it, it is critical to ensure the transit agency is engaging disadvantaged businesses. As an organization proactively focused on fighting racism and building equity across the region, this responsibility creates an opportunity for Sound Transit. The Office of Civil Rights, Equity, and Inclusion at Sound Transit sets annual attainment goals for DBEs as a percentage of the agency's total construction spending.

Ms. Robinson shared information on some outcomes. Since 2017, Sound Transit has exceeded DBE goals. In 2017, the goal was 12.20% with final attainment of 22.85%. In 2018, the goal was 16.10% with final attainment of 18.14%. In 2019 and 2020, the goal remained at 16.10% and in 2019 final attainment was 17.79% and in 2020, final attainment was 19.29%. Last year, Sound Transit conducted a disparity study with a goal established of 16.39%. This year, Sound Transit is on track to achieve a final attainment of 31.58%. To build on that success, Sound Transit provides technical assistance to DBEs to help them compete and experience success when working on Sound Transit projects. An example is partnering with WSDOT on a Capacity Building Mentorship Program, which pairs small minorities and women-owned businesses with prime contractors and consultants. It was not possible to achieve a record of success without having a real sense of the agency's performance by having data. The 2020 Disparity Study findings were used to develop a strategy to improve. The findings of the agency's DBE contract goals to award contracts reflected substantial disparities on various sets of contracts. Upon completion of the study, Sound Transit increased goals with attainment nearly doubling. Some of the strategies and tactics include the availability and maintenance of real-time data to ensure contracts are tracked and monitored for DBE and small business attainment. Sound Transit completes the work utilizing the B2GNow system, as well as master contract law to ensure Sound Transit is tracking on-time progress. Sound Transit is also enhancing efforts to encourage primes to utilize DBEs as well as meeting DBE goals in various scopes of work, and enhancing oversight and explanation of DBE contract goals setting decisions while maintaining backup documentation of goals. The agency is also pursuing extensive work conducting CUFs (Commercially Useful Functions) of all DBEs working on projects. Sound Transit is committed to the work, as well as formally committed to take steps to become an anti-racist organization. To that end, Sound Transit has developed four priorities for the agency. The priorities include eliminating racial disparity by advancing equity in acquisition processes and improving the extent to which Sound Transit contracting practices reflects the diversity of the communities it serves. DBE contracting efforts do not necessarily capture the agency's overall efforts on diversifying its workforce. The agency recently created a Director of Equity position in contracting within the Procurement and Contracts Division to expand efforts on diversity. Sound Transit also ensures each contractor desiring to work with Sound Transit is aware of the agency's emphasis on inclusion. Ms. Robinson offered to answer any questions.

Mr. Kuruvilla thanked Ms. Robinson for the sharing information on Sound Transit's equity, diversity, and inclusion programs.

Mr. Kuruvilla reported WSDOT operates under a different statute for the performance of alternative delivery Design-Build projects (RCW 47.20). However, for Progressive Design-Build and GC/CM projects, WSDOT is subject to RCW 39.10. He introduced Earl Key with WSDOT. He has worked closely with Mr. Key many times. WSDOT and the state are fortunate to have an individual with the passion for diversity, equity, and inclusion, as well as his leadership in assisting small businesses. Mr. Key will share information on WSDOT's efforts on diversity, equity, and inclusion.

Mr. Key and Jackie Bayne provided the presentation on behalf of Secretary of Transportation Roger Millar.

Mr. Key reported WSDOT operates in a funding environment of two sources of funds for projects. One is the Federal DBE Program with enforceable goals on projects for minorities and women-owned businesses. The second source of funding is the state funded program without federal funding that cannot include mandatory goals on projects based on race and gender. Based on the results of WSDOT's Disparity Study and through tracking, when mandatory goals are included for race and gender goals on projects, the outcome is much greater than on projects with voluntary goals. Participation drops by approximately 60% when no enforceable goals are included on state-funded projects.

Within the current DBE Program, WSDOT's overall goal statewide is 19% participation. Most recently, WSDOT has achieved nearly 17% with the more participation by minorities in WSDOT's history. WSDOT increased its original goal of 11.5% to 19% based on the results of the Disparity Study. The DBE Program is moving in the right direction and is nearly achieving the targeted goal.

Mr. Key reviewed outcomes of the state-funded program with no mandatory enforcement goals. Ms. Bain displayed a roadmap of the state-funded program developed to address the disparity, as mandatory goals were not included for projects. Initially, WSDOT included voluntary measures for contract language, inclusion plans, and community engagement. Based on a successful outcome, WSDOT would not have moved forward to address the disparity. However, because of outcomes, the roadmap was developed to guide next steps. The roadmap applies some rates and gender-

neutral measures deemed mandatory for small and veteran business goals. The goals are not based on race, gender, and do not violate I-200. WSDOT has implemented the mandatory small business program, instituted inclusion plans, and continues to work on overhead reimbursement efforts and increasing the use of sanctions.

Currently, the program has not been successful in raising participation levels on state-funded projects. In partnership with other agencies and the minority community, WSDOT established subcommittees to address specific issues the agency believes are the root cause or could assist in increasing participation on state-funded projects. The advisory subcommittees are assigned to address specific topics. The subcommittees are currently working on set-asides for minority and women-owned businesses, utilization of the small works roster, and potential legislation to limit small works roster to small business because the roster is not based on the size of the business but on the size of the project. A multi-national company could bid on a small works roster project. The goal is to limit small works roster projects to small businesses. The subcommittees are also engaged to improve the Capacity Building Mentorship Program by considering options for providing prime contractors overhead reimbursement for utilizing minority or small firms within the Capacity Building Mentorship Program. If a prime contractor elects to enter into the program and agrees to mentor a smaller firm, the prime contractor receives overhead reimbursement if the mentor is included on the project. For Design-Build projects, if a prime is working within the Capacity Building Mentorship Program, the prime would be eligible for extra technical credits when bidding on a project if mentors are included on the project.

Another barrier identified is dispute resolution because often, a dispute occurs between upper-tiered subcontractors affecting lower-tiered subcontractors who have completed work and are not involved in the dispute. They often do not receive payment despite completion of the work. The effort will identify a solution so lower-tiered subs are not harmed by a dispute between upper-tier contractors. The subcommittees are examining prequalification and non-discrimination plans, as well as qualifications for inclusion managers. It is apparent many individuals have assumed responsibilities for inclusion without technical skills or knowledge to serve as an inclusion manager. The goal is to develop some basic qualifications and potentially require WSDOT to approve the assignment of an inclusion manager. Another area of review is bonding, insurance, and retainage requirements, which is residing within the administration team of the AGC with WSDOT. The review includes whether it is too burdensome for the requirements to be applied to lower-tiered subcontractors.

The subcommittees are also exploring options of creating consortiums for minority and women contractors. Current efforts include a trucking consortium. The subcommittee plans to release a RFP to organize some minority truckers into one large consortium to increase their competitiveness to bid. The selected consultant would be expected to help manage the consortium, assist the consortium in submitting bids as a collective, and organize the consortium. The RFP is scheduled for release in the next several months. Additionally, the agency's consulting program, which includes no mandatory goals, has experienced better results than the agency's DBE Program with mandatory goals. The subcommittees are working on a variety of issues.

Mr. Key invited questions.

Senator Hasegawa cited WSDOT's decreased participation rate of 60% when no mandatory diversity goals exist while Sound Transit has experienced an increase of +30% in participation within its projects. He asked whether any analysis was available on why Sound Transit has been successful versus WSDOT's decrease.

Ms. Robinson advised that the agency has consistently applied DBE goals on federally funded contracts. There is no opportunity for prime contractors not to utilize DBEs on WSDOT capital projects because federal funds are included requiring DBE goals.

Mr. Key added that WSDOT is studying Sound Transit's programs. WSDOT has two oversight agencies requiring different practices even though regulations are the same. Sound Transit is under the direction of the Federal Transit Administration (FTA) while WSDOT is under the Federal Highway Administration (FHWA) and while the regulations are the same each oversight agency applies requirements differently. WSDOT was the first DOT in the country allowed to impose mandatory small business program in conjunction with DBE goals. The FTA has enabled transit agencies to pursue similar goals for many years. WSDOT only recently received approval to impose the mandatory small business

program. With the advent of implementing the program, WSDOT believes numbers will increase. Additionally, WSDOT had received a waiver, which excluded white women from meeting contract goals for approximately four years, which lowered the agency's participation rates. During the period of the waiver, white women businesses were participating at a 10% rate that has since dropped to 3%-4%, which speaks to the lack of recovery for white women-owned businesses since WSDOT implemented the waiver. When a specific group receives a percentage of funds and performs well, USDOT mandates the removal of those companies from the program. There are also different methodologies as to how FTA and FHWA calculate the goals.

Senator Hasegawa commented that after the passage of I-200, the number of minority-owned companies decreased by half. He asked whether that reduction in capacity has created a situation where WSDOT is competing against Sound Transit or other agencies for contractors. Mr. Key said both agencies often utilize the same contractors. However, he believes capacity is not the issue. WSDOT has a sufficient amount of work available to achieve higher goals.

Ms. Robinson added that Sound Transit has approximately 700 to 1,000 certified firms for highway-related work. The agency utilizes approximately 100 of those firms for projects. The goal is expanding utilization to firms that are certified and able to work on projects.

Ms. Reyes inquired as to the amount of federal funding WSDOT receives. Mr., Key said he believes the amount is approximately \$400 million a year. Ms. Bayne noted WSDOT also receives federal funds from other federal oversight agencies. Ms. Reyes cited the 17% figure on the MWBE spend report and questioned whether the amount is attributed to outreach to MWBEs and how much is attributed to goods and services provided by MWBEs. Mr. Key explained that WSDOT's report does not include goods and services.

Ms. Bayne added that within WSDOT's diverse business programs, the agency tracks and monitors outcomes that are under the direct control of the agency's statutes. Currently, the agency tracks and monitors architecture and engineering agreements and the construction program. Ms. Reyes asked about the reporting that includes consultants. Ms. Bayne noted if the project includes federal funding, the reporting would be under the FHWA program. Typically, goods and services procurements are state-funded efforts and are overseen by the agency's Administration and IT Services and reported through the Washington State Office of Minority and Women's Business Enterprise. Ms. Reyes asked how WSDOT avoids double reporting. Ms. Bayne explained that if the program is 80% federally funded, 80% of DBE dollars are reported in the FHWA program with the remaining 20% reported to OMWBE.

Mike Shinn disconnected from the meeting at noon.

Ms. Thaxton asked whether either agency distinguishes or has information on the differences between the percentages on alternative procurement of GC/CM and Design-Build versus Design-Bid-Build. Ms. Bayne advised that the agency does not have a specific report addressing the question other than the agency experiences much better attainment with the alternative delivery method.

Mr. Kuruvilla thanked Ms. Robinson, Mr. Key, and Ms. Bayne for taking time from their demanding schedule to present information to the Board.

Chair Zahn suggested following up with the two agencies on how alternative delivery has shifted the inclusion rate with more women and minority-owned business participating. She suggested scheduling a follow-up at the February meeting to provide the information. Mr. Kuruvilla affirmed the request to follow up with both agencies to obtain the information.

Mr. Kuruvilla outlined the request for conducting a survey. The request is for permission for the BE/DBI Committee to release a survey. During the committee's work, it was apparent that the committee should validate some of the issues, findings, and conclusions. The committee drafted a survey to send as soon as possible by DES under the signature of Chair Zahn. The survey is easy to complete and would be embedded on CPARB's webpage with a link to the survey. The survey focuses on five areas of issues with relative links to reference sources (disparity studies, SB 5032).

Ms. Deakins and Mr. Kuruvilla provided a live demonstration of the online survey.

Mr. Kuruvilla explained that the intent is to use the results of the survey and incorporate information within the best practices guidelines for the Board's review. Study results will help validate information on barriers, issues, and solutions drafted within the best practices document.

Aleanna Kondelis added that the survey serves as the committee's launch to frame up top issues. The committee's best practices matrix includes approximately 22 barriers to equity, inclusion, and contracting. The study would serve as a way to validate the framework and the top issues to assist the committee in focusing more attention on specific barriers. The survey does not address solutions but would follow up with participants who offer comments to assist the committee in its vetting and engagement process.

Ms. Reyes noted that the survey offers a venue for the committee to dig deeper and secure more in-depth information to help identify some of the reasons for challenges encountered by small and minority businesses. Many small firms do not want to be identified for fear of retribution and retaliation and a survey is the best forum to obtain more information on the details of challenges companies are experiencing.

Mr. Riker requested clarification as to the information desired for the question on access to opportunities, such as the ability to bid on projects. Mr. Kuruvilla said the intent of the question is broadening access issues encountered by businesses because it was generated by feedback on multiple issues of outreach, network access, and access to capital. Mr. Riker remarked that one of the reasons for lack of access to opportunities could be attributed to a company receiving a prior prevailing wage violation and no longer has access to bidding opportunities. That example is a legitimate barrier to access if the company did not pay employees prevailing wage. He expressed interest in some of those types of challenges to ensure language is properly targeted to resolve issues.

Ms. Riley Hall supported sending the survey but questioned whether the survey could be framed to obtain some suggestions on solutions for eliminating barriers. Mr. Kuruvilla thanked her for her suggestion and identified other members supporting the suggestion as well.

Ms. Reyes referred to Mr. Riker's question and noted it is one reason for releasing a survey as it affords an opportunity to identify reasons for companies experiencing barriers. Many companies are not disclosing the reason or communicating the reasons. She also recommended including some space after each question to enable participants to add additional information.

Ms. Riley Hall supported including blank space to solicit additional comments; however, if the intent is to receive a recommendation on how to overcome a barrier, the survey should be framed to seek that information otherwise the survey may generate many comments that do not speak to solutions.

Mr. Kuruvilla agreed to revise the survey to channelize the input the committee is seeking.

Ms. Kondelis thanked members for the suggestions. She suggested revising the question by asking the participant to offer any solutions or recommendations and/or other comments.

Chair Zahn advised that it appears the Board concurs with releasing the survey with the committee considering the Board's input and suggestions. She noted that in addition to development of the best practices guidelines, SB 5032 included two additional requirements to submit any recommendations for changes to state law and communicate to the appropriate legislators or committees those recommendations. It will be important for the committee to identify all required deliverables by SB 5032 from February to June to ensure all deadlines are achieved. Mr. Kuruvilla advised that the roadmap would be updated to reflect the additional deliverables. Chair Zahn encouraged the committee to release any draft on best practices to the Board to enable the Board to provide feedback as it represents a major item of work between now and the end of June.

NEW BUSINESS

Chair Zahn noted that new business was added to the agenda to enable members to suggest new items of interest.

Ms. Thaxton reported on and congratulated Ms. Riley Hall for her recent appointment to the National Board of Directors for the Design-Build Institute of America.

Chair Zahn congratulated Ms. Riley Hall. She looks forward to receiving information from the National Board. Ms. Riley Hall thanked Ms. Thaxton for encouraging her to seek the opportunity.

ADMINISTRATIVE

Budget Update – *Informational*

Ms. Deakins reported the overall budget for the biennium for the Board is \$375,000 with the forecast projected to be less than the budget. Approximately \$20,000 is included for personal service contracts for data collection; however, no expenditure has been identified by the Board at this time.

Chair Zahn asked whether the optimistic forecast could be attributed to virtual meetings with no travel expenses. Ms. Baker confirmed meeting virtually has contributed to lower expenditures by the Board.

Ms. Reyes commented that travel expenses would likely increase over the next several years. Ms. Baker said the travel budget estimate is based on the actual expenditures from the prior biennium prior to the pandemic. The PRC also can no longer meet at the facility that did not charge a fee and it is likely the PRC will need to rent space once in-person meetings resume, as well as reimburse for member travel.

Ms. Jansen recommended a meeting with Chair Zahn as recommended by Senator Hasegawa to develop a budget for the Board as DES provides additional monetary support for PRC and CPARB. Chair Zahn added that the budget may need to be increased to add more PRC meetings if an increase in projects occur. It also may be necessary to add Board meetings that may incur additional costs. Ms. Deakins said the budget reflects additional PRC meetings based on past trends, as well as additional CPARB meetings.

Ms. Reyes questioned the process for budgeting the full amount required by CPARB. Chair Zahn responded that Senator Hasegawa recommended developing a budget for the Board to complete its work without monetary support from DES. Ms. Deakins explained that some of the funding has shifted in terms of DES funding support as previously the funds were from the DES operating budget, specifically from Engineering and Architectural Services to bridge the gap. Recent changes have shifted the funding to reside in the DES Capital Budget. Unless other impacts to the budget or data collection needs have been identified by the Board it would be difficult to forecast additional funding requirements. The current budget reflects anticipated expenditures by the Board.

February 10, 2022 Meeting Planning & Draft Agenda – *Discussion and Action*

Vice Chair Dobyns reviewed the proposed February meeting agenda:

- Discussion and consideration of PRC approval of projects previously advertised
- Discussion on PRC and CPARB conflicts of interest
- Carryover of the OFM Cost Assessment
- PRC Report and Appointments
- OMWBE Follow Up
- Complete Board Engagement and Shared Commitments
- BE/DBI Committee Update & metrics from Sound Transit and WSDOT
- Legislation of Interest
- Board Development Committee, GC/CM Committee Updates

Mr. Thompson encouraged members to participate in the virtual PRC meeting on January 27, 2022.

Chair Zahn reminded the Board of prior discussions for scheduling special meetings in March, April, and June focused on BE/DBI Committee best practices guidelines and other requirements from SB 5032 to ensure the June 30, 2022 deadline is achieved. Ms. Baker said only one special meeting is scheduled on June 9, 2022, which is posted on the website. Other meetings include February 10, 2022, April 14, 2022, and May 12, 2022 on the second Thursday of the month and the

standard September, October, and December meetings. Chair Zahn added that the Board could determine whether a special meeting is required in March. She wants to ensure the Board remains on track to meet the June deadline.

Ms. Baker advised members they are welcome to attend PRC meetings as participants as those meetings are not considered a Board meeting and the meetings have been scheduled and publicized.

CLOSING THOUGHTS OF ALL BOARD MEMBERS

- Olivia Yang: Very grateful for her partner, Mr. Kuruvilla, for leading the discussion, as well as to Ms. Reyes.
- Rachel Murata: Grateful for being able to be part of the meeting and she learned from everyone about the good work of the Board, is excited by the work of the BE/DBI Committee and looks forward to the results.
- Andy Thompson: Happy to have attended.
- Robynne Thaxton: Thanked the committees for its hard work and for preparing for the meeting.
- Axel Swanson: Good meeting. He added that the Board deferred consideration of the application from Timothy Buckley to the February meeting.
- Kara Skinner: Still learning and excited to attend. She thanked everyone for their participation as it was very helpful
- Walter Schacht: Good conversation today. He invited Boardmembers and participants to attend the next Design-Build Best Practices Workshop through AGC with Chair Zahn and Olivia Yang serving as instructors. The workshop covers two days.
- John Salinas II: Happy holidays to everyone, as it was another interesting year.
- Linneth Riley Hall: Happy holidays to everyone. She thanked members for practicing the Board’s commitments.
- Mark Riker: Good meeting and good wishes to everyone for a healthy and peaceful holiday season.
- Irene Reyes: Grateful for attending, excited, and very hopeful that the Board is accomplishing more as a team. Happy holidays.
- Mark Nakagawara: Appreciative of the work completed by the committees.
- Santosh Kuruvilla: Thanked Ms. Baker, Ms. Deakins, and DES for hosting the meeting. He expressed appreciation to Chair Zahn for her leadership and her inclusiveness. Happy holidays to everyone.
- Janet Jansen: Continue to be amazed of all the good work accomplished across the state and by the Board.
- Senator Hasegawa: Appreciate the hard work by members of the Board as well as the good intentions members are approaching with their work.
- Bobby Forch Jr.: Thankful and grateful for being able to attend and thankful for the work the committee is completing. He is trying to be a good listener to learn from all the information shared during the meeting while trying to figure how he can be a helpful collaborative co-conspirator.
- Corey Fedie: Appreciate the intrigue today and the learning curve that is obviously pretty steep. He wished everyone happy holidays.
- Bill Dobyns: Appreciate everyone on the Board as members take the work seriously and do the work to prepare and participate. He is appreciative of those efforts.
- Janice Zahn: She feels blessed to be able to be the Chair and facilitate the conversation as she is learning much. It is difficult work for the Board to work together for a common purpose for improving public contracting. She acknowledged the passing of Senator George Fleming, as he was one of the forces behind creating OMWBE. She would like to honor his memory and the work he completed. He was elected to the House in the late 1960s and spent 20 years in the Senate. She is very appreciative of the people who came before us and laid the path for doing the work. She looks forward to continuing the work with the Board. She is hopeful members can refresh during the holidays and return in February ready to continue the work.

ADJOURNMENT

With there being no further business, Chair Zahn adjourned the meeting at 12:55 p.m.

Staff & Guests

Timolin Abrom, OMWBE
Eza Agoes, Sound Transit

Aleanna Kondelis, Akana
Jen Masterson, OFM

Staff & Guests *continued*

Talia Baker, Department of Enterprise Services

Marika Barto, OMWBE

Jackie Bayne, OMWBE

Mallorie Davies, LIUNA

Nancy Deakins, Department of Enterprise Services

Sarah Erdmann, OMWBE

Curt Gimmestad, Absher Construction

Thomas Golden, NAC Architecture

Jeff Jurgensen, OAC Services

Earl Key, WSDOT

Josh Klika, MRSC

Eric McCarley, OMWBE

Art McCluskey, WSDOT

Scott Middleton, MCA

Shari Reiter-Johnson, Department of Labor & Industries

Jonté Robinson, Sound Transit

Jon Rose, MRSC

Linda Shilley, Pierce Transit

Jolene Skinner, Department of Labor & Industries

Jeff Slinger, Andersen Construction

Tara Smith, Department of Enterprise Services

Kyle Twohig, City of Spokane

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