

Location: via Teams

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

Committee Members: (17 members, 9 = Quorum)

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

Guests and Stakeholders:

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| x Maja Sutton Huff, WSU, Higher education | x Heather Munden, Port of Seattle |
| x Sarah Erdmann, DES | x Steve Russo, UMC |
| x Bill Frare, DES | x Kara Skinner, Integrity Surety |
| x Jessica Letteney, MFA | x Robin Strom, Mortenson |
| x Monique Martinez, DES | x Christina Shelton, LNI |
| x Edwina Martin-Arnold, City of Seattle | |

The meeting began at 1:31 p.m.

Welcome & Introductions

Co-Chair Fernandes opened the discussion by acknowledging the challenges of the current legislative session. She reported that the prompt pay bill (SB 5176) failed in the Senate Ways and Means Committee due to a \$2 million fiscal impact. Despite the setback, she expects the bill—or a version of it—to return in future sessions. She also noted that Senator Valdez will seek input from CPARB members and emphasized that cost will remain a critical factor given the state’s budget constraints.

In response to a question from Aleanna Kondelis about better structuring future legislative requests, Co-Chair Fernandes shared that she has not yet fully debriefed with the senator but reiterated the bill’s failure was due to its fiscal burden, especially in a year marked by widespread budget cuts.

John Salinas voiced frustration that the state passed some budgets with 8% spending increases, suggesting that the fiscal concern seemed selective. He expressed disappointment given the compromises and effort that went into the bill.

Co-Chair Fernandes reiterated that the issue of prompt pay remains highly visible—she’s received five times more calls than usual—and emphasized the need to be strategic in navigating the political and budget landscape.

Olivia Yang proposed that the Change Order Work Group combine change order and prompt pay issues to draft a stronger, unified bill. Co-Chair Fernandes agreed and underscored the importance of having concrete cost estimates for any future proposals.

Chip Tull highlighted that the legislation required owners to take on additional work (e.g., more FTEs) without reimbursement. He called for clearer guidance beyond simply “being mindful of cost,” warning that without real solutions, the burden may shift to general contractors who would, in turn, pass costs onto owners—an unsustainable and superficial fix.

Co-Chair Fernandes acknowledged the unpredictability of the budget deficit, which contributed to the unusual legislative session. On a positive note, she pointed to the broad support the bill received from stakeholder groups.

Olivia encouraged a “lessons learned” approach. She questioned whether the bill had been thoroughly reviewed by CPARB before submission and stressed CPARB’s role in ensuring inclusive review to avoid surprise fiscal notes. She also noted that owner practices aimed at audit-proofing payments may unintentionally delay payments to businesses. Olivia suggested that CPARB strengthen its legislative processes and use the Change Order Work Group as a foundation for future efforts.

Co-Chair Fernandes clarified that CPARB was asked to submit recommendations—not to draft legislation. The bill was ultimately written by the legislature. However, any future change order legislation will originate from the committee, providing more opportunity to influence the content. She also emphasized that inconsistent interpretations of financial impacts by owners led to widely varying fiscal notes, reinforcing the need for clear and detailed cost estimates in future efforts.

Approve Agenda

Cathy Robinson motioned to approve the agenda. Co-Chair Kuruvilla seconded. The motion passed through a voice vote.

Review and approve minutes from 3/19/2025

Frank Boykin motioned to approve the minutes from 3/19/2025 as amended. Heather Munden seconded. The motion passed through a voice vote.

New Business

Brenda Nnambi proposed a future discussion on changes to the DEI Executive Order, specifically whether public or private sector agencies are modifying contract language or making other program adjustments in response.

Sarah Erdmann announced the launch of the **Washington Encouraging Diversity, Growth, and Equity (EDGE) pilot program**, developed by the Department of Enterprise Services (DES). The program has received over 100 applications and will focus on projects valued at \$1 million or less. EDGE-certified businesses will compete among themselves for these opportunities. DES is awaiting final budget decisions, after which it will identify suitable

projects and offer training during the summer. Bidding will open in the fall. Sarah encouraged members to help spread the word about the program.

Co-Chair Fernandes asked whether other agencies, such as the Port of Seattle or WSDOT, could collaborate with DES to increase the number of eligible projects.

Sarah responded that DES both manages its own projects and executes public works projects for other agencies. She noted that the Department of Corrections has shown interest in participating and that she has reached out to **Olivia Yang** regarding potential involvement from Washington State University.

Work Group Report-Outs

Retainage Work Group:

Maja Sutton Huff reported that the best practices document has been updated with recent comments and was sent out the night before. The group's survey questions are designed to assess understanding of retention practices among prime contractors and subcontractor tiers in public works. Their research indicates significant confusion around timelines—for example, many subcontractors believe retention starts when their work is done, rather than at full contract completion, which can extend payment timelines considerably. If more information is needed, the survey can be revised.

Co-Chair Fernandes emphasized that reviewing the surveys and best practices will be the focus of the next meeting. The goal is to release the best practices document this summer and the survey in May. She encouraged members to provide detailed feedback.

Change Order Work Group:

Steve Russo shared that the group's survey is nearly ready but still needs introductory language and final input to identify any content gaps for both the owner and contractor versions. *Co-Chair Fernandes* volunteered to draft the preamble. The accompanying best practices document outlines types of change orders and guidance for managing them, segmented by audience (owners vs. contractors). It includes a "Universal Truths" section summarizing key takeaways and still needs an introduction.

Steve also raised concerns about how prompt payment legislation previously included change order provisions, which were altered slightly—potentially to the detriment of contractors. If future legislation is proposed, it will require careful language review to avoid unintended consequences.

Co-Chair Fernandes recommended the group continue focusing on change orders, particularly how to assess and manage the fiscal impacts of any legislative proposal. She suggested the upcoming surveys will help clarify where confusion lies, especially around process timelines. The current statutory language is too vague and may be contributing to that confusion. She noted the importance of developing practical guidance without increasing costs for owners and mentioned that legislative representation on CPARB could help find a sponsor. For now, advancing best practices may be the most effective step forward.

Steve concluded by noting the work group will discuss possible legislative paths and next steps at its next meeting.

Next Steps and Next Meeting

Co-Chair Fernandes allocated 20 minutes at the next meeting to discuss impacts, approaches, operational changes, and responses to recent federal executive orders. The remainder of the meeting will focus on reviewing and discussing the four documents: two best practices and two surveys. Members are expected to read all four documents and submit feedback ahead of the next meeting, scheduled for **May 21**, which will run **until 3:00 p.m.**

John asked **Sarah** about the \$5 million revenue threshold for businesses participating in the EDGE program. Sarah explained that this number differs from thresholds used by OMWBE and DES's goods and services programs. DES arrived at the \$5 million figure after extensive outreach and engagement with the business community.

Bill Frare added that an initial threshold of \$3 million was considered too low, while \$7 million was seen as too high. The \$5 million figure was a compromise based on stakeholder feedback.

Next Meeting Agenda

- Welcome & Introductions
- Review & Approve Agenda and Minutes from 4/16/2024
- Federal Executive Order
- Best Practices Documents
- Surveys
- Next Meeting Agenda
- Adjourn

Action Items

- **Co-Chair Fernandes** will send a reminder email in approximately two weeks urging members to review the two best practices and two survey documents.
- **All members** should read the four documents and submit feedback prior to the May 21 meeting.
- **Co-Chair Fernandes** will debrief with Senator Valdez regarding the legislative session once it concludes.
- **Monique Martinez** will add a discussion item to the next agenda on potential changes resulting from the federal DEI executive order.

Co-Chair Fernandes adjourned the meeting.

The meeting was adjourned at 2:18 p.m.

Reference

[BE/DBI Legislative Report June 2023](#)