

Capital Projects Advisory Review Board
Construction Cost Escalation Committee

Meeting Notes
July 16, 2025
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Location: via Zoom

Meeting ID: 851 2540 4806 **Passcode:** 933045

Committee Members:

(11 members, 6 = Quorum)

x	Olivia Yang, Owner Higher Education Chair	x	Karen Mooseker, Owner Sch. Districts/ Shelly Henderson (proxy)
x	Theresa Bauccio-Teschlog, Owner Cities		Angela Peterson, Owner Ports
	Robert Blain, Owner Counties	x	Michael Transue, MCA
x	Garett Buckingham, Owner Public Hospitals	x	Justin Vena, General Contractors (SWR)
x	Ron Endlich, Owner Transit		<i>Vacant, Small Works Roster Representative</i>
x	Erin Frasier, Labor		<i>Vacant, Association of small/diverse businesses</i>
	Bruce Hayashi, Architects		

Other attendees:

x	Talia Baker, CPARB Staff (DES)		Brent Ludeman
	Nancy Deakins, CPARB Staff (DES)	x	Brianna Morin, AWC
x	Steven Ellis, AWC		Colleen Newell, MFA (scribe)
	Melanie Harding, MRSC	x	Jon Rose, MRSC
	Chris Harman, WPPA		Brian Ross - WWU
x	Sam Humphreys, MFA (Scribe)		Axel Swanson, WA Assoc. of Counties
	Lisa Lagerstrom, MRSC		

Discussion Highlights:

Meeting started at 3:00 pm

Michael Transue moved to approve the agenda for the meeting. Erin Frasier seconded the motion. The committee voted to unanimously approve the agenda.

Michael Transue moved to approve the meeting notes from the 6/18/2025 and 7/02/2025 meetings. Ron Endlich seconded the motion. The committee voted to unanimously approve the meeting minutes.

Owners Report

Chair Olivia Yang summarized the results of the discussion that a group of agency owners held after the last Small Works Roster (SWR) Construction Cost Escalation Committee (CCEC) meeting. The group of agencies affirmed the twofold purpose of the SWR:

1. To create efficiency for owners in contracting small projects.
2. To serve as an incubator for small contractors.

She said that the group of agencies discussed that two indices, the Construction Cost Index (CCI) and the Producer Price Index (PPI), both estimate the \$350,000 SWR threshold to be closer to \$500,000 in 2025 (*as discussed in previous CCEC meetings*). However, the group of agencies expressed concern that there may be high inflation between 2025-2030 (*when the SWR threshold will next be reevaluated*) because of uncertainty, volatility, and tariffs.

Chair Yang said that the group of agencies also acknowledged that, if the SWR threshold were increased to \$1 million, it may cause larger, more established contractors to use the SWR, which would defeat the second purpose mentioned above (*incubating small contractors*).

Considering this expected inflation, and the understanding that \$1 million may prevent the incubation of small contractors, the group of agencies requested that representatives of labor, contractors, and professional services, such as architects and engineers, discuss with their membership what a reasonable projection for the SWR threshold should be in 2030.

Michael Transue, Erin Frasier, and Justin Vena agreed to ask their membership what SWR threshold they would be comfortable with between \$500,000 to \$1 million.

Minutes by Sam Humphreys, Maul Foster Alongi

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Pilot Program at \$1 Million SWR Threshold

Chair Yang said that the group of agencies expressed interest in the prospect of running a year-long pilot program, similar to what was done with General Contractor / Construction Managers (GC/CM). The pilot would allow certain agencies to use a SWR threshold of \$1 million, and at the end of the pilot year, those agencies would report back to CPARB on successes, challenges, and changes that could be made. This would help determine if a \$1 million SWR threshold is amenable to both agencies and contractors.

Michael said that he would be comfortable discussing this with his membership, especially understanding what sideboards they would like to see for the \$1 million pilot.

Erin and Justin agreed.

The committee decided that a comfortable SWR threshold projection should be elicited from labor, contractor, and professional services representatives before discussing the \$1 million pilot program, because the SWR threshold is the primary objective of the CCEC.

Next Meeting

The committee agreed that at the next meeting, representatives of labor, contractors, and professional services will report what SWR threshold their members decided they would be comfortable with between \$500,000 and \$1 million.

The committee agreed to end the meeting early.

Michael Transue moved to adjourn the meeting. Ron Endlich seconded the motion. The committee was adjourned by unanimous vote.

Meeting ended at 3:14 p.m.

Action items for next meeting

1. Representatives of labor, contractors, and professional services ask their membership what projected SWR threshold they would be comfortable with, between \$500,000 and \$1 million, for 2025-2030.

Next Meeting Agenda – 3:00 p.m. on 7/30/2025

- Representatives from labor, contractors and professional services will report back on what SWR threshold their membership would be comfortable with.

Resources:

1. RCW [39.04.154](#)
2. RCW [39.04.152](#)
3. [2SSB 5268](#) 30 NEW SECTION. Sec. 16. Beginning in 2025 and every five years 31 thereafter, the capital projects advisory review board must review 32 construction cost escalation data for Washington state, readily 33 available in industry publications, roster utilization, and other 34 appropriate data and metrics, and make recommendations to the 35 appropriate committees of the legislature on adjustments to the 36 contracting thresholds described in section 15 of this act.
4. Committee Homepage: <https://des.wa.gov/about/committees-groups/capital-projects-advisory-review-board-cparb/construction-cost-escalation-committee>

Proposed Purpose/Mission:

Per RCW [39.04.154](#) review construction cost escalation data and make recommendations to CPARB to make recommendations to the appropriate legislative committees on adjustments to the contracting thresholds for small works rosters per RCW