

CAPITAL PROJECTS ADVISORY REVIEW BOARD

Minutes

1500 Jefferson – Presentation Room

Olympia, Washington

May 8, 2014

Members Present

Absent

Vince Campanella
Christopher Hirst
Albert Shen
Steven Crawford
William Frare
Ed Kommers (Vice Chair)
Robert Maruska (Chair)
David Myers
Senator Bob Hasegawa
Rep. Kathy Haigh
Helaine Honig
Alan Nygaard

Representing

Representing

General Contractors
Private Industry
Engineers
School Districts
DES
Specialty Contractors
Washington Ports
Construction Trades Labor
Senate (D)
House (D)
Cities
Higher Education

Members

Daniel Absher
Walter Schacht
Vacant
Ty Heim
Mark Riker
Vacant
Vacant
John Ahlers
Gary Rowe
Rep. Vincent Buys
Alexis Oliver

General Contractors
Architects
Specialty Contractors
Public Hospital Districts
Construction Trades Labor
Senate (R)
Insurance/Surety Industry
Private Industry
Counties
House (R)
OMWBE

STAFF & GUESTS are listed on the last page

Welcome & Introductions

Chair Robert Maruska called the Capital Projects Advisory Review Board (CPARB) meeting to order at 9:10 a.m.

A meeting quorum was attained.

Everyone present provided self-introductions.

Approve Agenda

The following items were requested as additions to the agenda:

1. Comment opportunity on the Office of Financial Management's (OFM) report on modifications to architectural/engineering (AE) fees and contingency requirements.
2. Discussion on establishing an oversight subcommittee to review Progressive Design-Build (DB) projects.

Ed Kommers moved, seconded by William Frare, to approve the agenda as amended. Motion carried.

Approve February 13, 2014 Meeting Minutes

A correction was requested to the minutes of February 13, 2014 on page 2 changing the sixth paragraph to reflect: "Ed Kommers advised that as of June 30, 2015, the following terms expire:"

Dave Myers moved, seconded by Ed Kommers, to approve the February 13, 2014 minutes as amended. Motion carried.

Public Comments

Chair Maruska encouraged public comments throughout the meeting.

Chair Maruska reported that the Governor is completing several appointments to the Board. He suggested sending a letter to retiring members recognizing their contribution to the Board.

Ed Kommers moved, seconded by Dave Myers, to direct staff to draft a letter acknowledging the significant contributions of Dan Absher and Olivia Yang to the CPARB. Motion carried.

Project Review Committee (PRC)

Penny Koal provided an update on the results of the March 27 PRC meeting. The PRC considered three applications:

- City of Richland Fire Station #74, Design-Build
- City of Oak Harbor Clean Water Facility – Heavy Civil GC/CM
- Seattle School District Olympic Hills Elementary School, GC/CM

Ms. Koal reported the City of Richland met the qualifications for DB. The City was seeking fast delivery. The PRC Panel approved the application unanimously.

Mr. Kommers asked what convinced the panel that the City has the necessary expertise for that procurement method. Ms. Koal said the City had consultant assistance to work through the application process for the DB process as well as providing assistance as the project moves forward to construction. The rationale for selecting DB as the procurement method for the project was sound.

Ms. Koal said the City of Oak Harbor's project is the first Heavy Civil GC/CM application the PRC has received. Linneth Riley-Hall chaired the panel. A subject matter expert assisted the panel through its review and deliberations. The application was approved unanimously. Ms. Koal offered to follow up with the name of the individual providing assistance to the panel.

The last application considered was from the Seattle School District for a 90,000 square foot school replacement project. The existing building is unoccupied. The project site includes some constraints. John Boknecht chaired the panel, which unanimously approved the application.

Senator Hasegawa asked about the subcontracting requirements considered by the panels, such subcontracting a percentage of the project to small businesses or minority-owned businesses. Mr. Kommers said the PRC considers whether the applicant has the necessary expertise to deliver the project under statutory requirements. The PRC is limited in basing its approval on other issues not included in the statute. The PRC does not have the authority to judge a project based on other types of metrics, which is the agency's responsibility.

Bob Armstead, President, Washington State Chapter of the National Association of Minority Contractors, said he is also an executive board member of the national organization. The organization is a trade association of minorities and women in the construction industry celebrating its 45th year. In 2012, the Washington State Department of Transportation (WSDOT) completed a fairness study that reflected great disparities in terms of WSDOT and other state agencies contracting with minority and women-owned businesses. He cited a report from the University of Washington on its Business Diversity Program. The report, University of Washington – Business Diversity Program Operational Performance Dashboard Report for the fourth quarter in 2013 reflected zero dollars of contracting with minority and women-owned businesses. It's important for the Board, even though not statutorily required, to administer, report, or consider the impacts of decisions rendered. There

certainly is moral and ethical responsibilities to all the citizens of the State of Washington who should be able to participate in all work conducted by the state.

Albert Shen asked how PRC determines the appropriate level of expertise of agency personnel to complete the project other than hiring consultants. Ms. Koal replied that the panel considers an agency's experience in previous GC/CM or DB projects, experience in public works projects, how well versed personnel are in the requirements of Chapter 39.10, and how the internal project team is structured to support the project. Applicants provide a presentation on the project and the panel conducts questions and answers to address any shortcomings that haven't been adequately covered. The panel deliberates to determine whether the applicant has the necessary experience. Mr. Shen asked whether the panel utilizes a matrix of criteria to base its decision.

Chair Maruska offered to review the process with members. The application includes a number of standard questions dependent upon the type of procurement method (i.e., GC/CM or DB). Ms. Koal added that panel members utilize a score sheet with the criteria listed.

Mr. Kommers added that it's also important to the subcontracting community that the PRC panels allow opportunities to address the merits of the application and the capabilities of the agency.

Christopher Hirst noted the Senator's question on how subcontracting is handled wasn't addressed for GC/CM. Ms. Koal said the law is prescriptive in terms of what GC/CM's can perform and what other elements are subcontracted.

Four applications will be considered at the next meeting on May 27.

PRC Vacancies and Appointments

Nancy Deakins reported the PRC currently has a vacancy for Public Hospital Districts and received a recommendation to appoint Darren Gillis from the Association of Washington Public Hospital Districts. The Board is asked to consider the appointment of Darren Gillis.

Chair Maruska noted that a number of PRC member terms are ending. All openings are advertised.

Ed Kommers moved, seconded by William Frare, to appoint Darren Gillis to the PRC representing Hospital Districts. Motion carried.

Ms. Deakins reviewed vacant positions anticipated for advertising in June/July. For those positions expiring prior to September, current members will continue to serve until a replacement has been appointed for both the PRC and the Board.

Positions for recruitment include:

- Higher Education
- Counties
- DES
- School Districts
- Cities
- Engineers – Design Industry
- Specialty Subcontractors - 2 positions
- Construction Manager

- Minority/Women Businesses – 2 positions
- General Owner

Discussion - Establishing an oversight subcommittee to review Progressive DB Projects

Mr. Shen suggested establishing an oversight subcommittee to monitor applications for Progressive DB as the procurement method is new and it's important to ensure expectations of performance is achieved for both the industry and taxpayers. It's important to ensure applicants are accountable, as well as gauging the success of the metrics of the process and ensuring that equitable opportunities are available for small and minority-owned businesses. He's uncertain as to the Board's statutory oversight, but from a monitoring perspective, it might be beneficial for the Board to track outcomes for establishing baseline data.

William Frare reported DES supports the establishment of an oversight subcommittee as the department is vested in transparency and lessons learned. DES also supports business inclusion.

Mr. Kommers conveyed caution on potential complications of the Board exceeding its statutory oversight. The Board has never charged a committee to oversee a public body's project. In some instances, public bodies and other organizations were invited to meet with the Board and provide a project presentation generated from a variety of concerns and interest by members in fulfilling their responsibility to monitor delivery mechanisms to gauge success. It might be too excessive to establish oversight authority on any particular public body and become immersed in the project.

Mr. Shen replied that the intent is not targeting any one specific agency other than ensuring the procurement method is applied appropriately and is successful over time.

Chair Maruska noted that both the University of Washington and the Washington State University are undertaking Progressive DB projects. It might be preferable to invite representatives to a meeting as those projects move forward to share what's been learned.

Debbie McVicker, Deputy Director, OWMBE, said she is representing Alexis Oliver. The OWMBE supports establishing a subcommittee to monitor Progressive DB projects.

Steve Crawford said the issue pertains more to data collection and monitoring. He questioned whether the effort should be considered in conjunction with the data collection system, which is currently undergoing an update. Chair Maruska agreed the Board has the statutory authority to collect and analyze data. The suggestion is an excellent way to monitor and analyze data.

Alan Nygaard supported the suggestion to receive a presentation as the Board has access to the list of all projects covered by the statute. Every project is unique and has its own story, which often is impossible to convey through data analysis. Most public owners would be willing to review the project with the Board, as it affords the Board and the public body an opportunity to interact and ask specific questions. Interaction would convey much more information than a spreadsheet of information.

Mr. Shen agreed it's a good opportunity for public bodies to present before the Board in conjunction with data collection to gauge performance to determine whether that particular type of procurement method is the best investment for the public. From a data collection perspective, it presents an opportunity for the Board in understanding how well Heavy Civil GC/CM and Progressive DB are performing over time, as well as validating whether those delivery methods are viable and should be continued.

Mr. Kommers commented on how well the Board has worked on subcommittee assignments when provided with clear and concise missions. It's also important subcommittees include a variety of stakeholders and have a strong chair/facilitator. He offered to work with interested Boardmembers to articulate and design a committee mission. Other stakeholders not in attendance would also have the opportunity to participate.

Andy Thompson, Granite Construction, reported he recently served on the Heavy Civil GC/CM Subcommittee. There are sensitivities surrounding concerns about subcontractor participation rates and the required inclusion. There is also the process of the data collection and some of it occurs at the conclusion of the project. Increasing the effectiveness of the effort could entail initiating the collection earlier or intermittently when jobs are occurring. It might be a way to avoid reinventing the wheel and taking advantage of existing processes to respond to many of the concerns expressed earlier.

Vincent Campanella added that the Board formed a subcommittee at the last meeting to review an update of web-based collection data system. That effort could incorporate many of the concerns because most data collection points occur after the fact. Nothing has been established at this point to collect data during the project. As Heavy Civil is the newest and most unique application of GC/CM in many years, it may entail asking the first project owner to provide some reporting on subcontracting and sub-performance, etc. since the definitions are unique to GC/CM. It would also benefit the Board to become comfortable with the outcomes. It also presents an opportunity for adjusting data collection and reporting. One of his concerns with data collection is underreporting because of insufficient reporting to reflect GC/CM and DB as positive procurement methods versus a Design-Bid-Build process. The last several data collection efforts have shown methods to be closer than what he anticipated, which he attributes to underreporting for GC/CM and DB projects. Developing a streamlined process that's easier to use would lead to more participation in data collection and provide better data.

Heavy Civil Best Management Practices

Chair Maruska said when the Board worked with the subcommittee on language in Chapter 22.08, there was recognition about the variety of projects pertaining to Heavy Civil and providing some guidance to the PRC for its review process. He encouraged conversation on how the Board should move forward in developing some best management practices on implementation of Heavy Civil given those previous discussions.

Phil Lovell, PRC, reported on AGC's annual training program under the sponsorship of the AGC Education Foundation for GC/CM. Based on feedback from the February training session and feedback from the AGC Education Foundation, a training session is scheduled for Heavy Civil on June 19-20 on best management practices. He encouraged interested individuals to visit AGC's website to register for the training or contact Mick Newell at AGC Education Foundation. A lead group for the GC/CM training session is scheduled to review adjustments to the agenda for the training to incorporate or emphasize some elements of the GC/CM statute as it applies to Heavy Civil projects, as well as to the questions surrounding subcontracting and involvement of MBEs. Steps are underway to adjust certain elements within the training program to address specific requirements for Heavy Civil. The first session covers introduction of the statute with another section on procurement and several work group/team exercises on how to approach given challenges based on a hypothetical wastewater treatment plant project.

Ms. Deakins noted DES did not receive any information for the June training session to post on the CPARB webpage. Mr. Lovell offered to follow up with information on the training.

Representative Haigh arrived at the meeting.

Chair Maruska reported on communication from Linneth Riley-Hall expressing support for developing some best management practices for Heavy Civil for the PRC, as well as for the Board to publish. He asked Mr. Lovell

whether the training session is based on the organization's best management practices or how to implement Heavy Civil projects.

Mr. Lovell advised that the purpose of the training is introducing alternative works contracting to attendees. The training is divided into several segments. Issues are addressed during the segments on what qualifies a project, an introduction of the basics of the statute, procurement methods, organization of the Maximum Allowable Construction Cost (MACC) and contract under GC/CM, subcontracting issues, bid packages, and preconstruction. The sessions are a general training program as opposed to focusing on only best practices. During the course of the training, many project scenarios are shared with Q&A following. The sessions have become an effective way to engage people in the process.

Chair Maruska suggested contacting Ms. Riley-Hall to determine whether the PRC desires some guidance on best management practices.

Aleanna Kondelis, City of Seattle, offered to participate in developing best management practices and share the City's experience as the City has completed many heavy civil projects. She offered resources to support the effort.

Mr. Shen and Mr. Kommers agreed to meet and develop a draft mission for the subcommittee for distribution to members.

Legislative Update

Representative Haigh commented on the passage of the Heavy Civil bill, which the Governor signed with no vetoes.

Chair Maruska said the bill was also never amended. As a follow up to a study requested by the Legislature last year on life cycle costs analysis, the Board forwarded some recommended legislative changes. The Legislature drafted a bill, which was passed and signed by the Governor. The bill was amended to include a provision that did not move out of committee. The amendment addressed proprietary information when contractors submit qualifications and proposals.

Representative Haigh commented that the spreadsheet of pending bills would be helpful for her in tracking the status of legislation.

Dave Myers suggested highlighting the differences in legislation supported by CPARB versus legislation tracked by CPARB.

Ms. Deakins said the report is titled as "CPARB Proposed Legislation and Other Bills of Interest."

Senator Hasegawa said the session was tough and the prognosis for next session is not hopeful. It was unfortunate the Legislature did not pass transportation and capital budgets with funding authorities. Next session will be more difficult because of the pent-up needs within the operating budget in addition to transportation and capital budgets.

Chair Maruska invited some feedback on whether the CPARB should pursue or delay legislation during the session given the forecast of a difficult 2015 session.

Representative Haigh commented on the thoroughness of legislation crafted by the CPARB, which has essentially eliminated most of the controversial issues. The Board's track record is very good. She encouraged

the Board to pursue bills pertaining to policy or other issues of interest. Next session is a longer session enabling more committee review.

Mr. Kommers expressed appreciation to Representative Haigh, Representative Buys, and Senator Hasegawa for their legislative support of the Board's work. There was significant behind the scenes work done to preserve the Heavy Civil bill.

Ms. Deakins reported on a correction to the spreadsheet regarding HB 1841, which passed authorizing electronic competitive bidding for state public works contracting. The bill was signed by the Governor.

Representative Haigh reported some tribal members expressed concerns about HB 2724 regarding exempting information concerning archaeological resources and traditional cultural places from public disclosure. Several tribal members with family members buried on tribal burial sites but who not necessarily a member of the tribe believe the bill blocks them from receiving information about the burial sites and the status of sites. Specifically, the concern was expressed by tribal members near Friday Harbor. She plans to work on the bill next year to add language allowing access to information. The intent of the bill was to keep people from identifying and robbing sites because of the value of artifacts.

Mr. Frare referred to some progress occurring on HB 2555 on public disclosure and protecting certain documents during the competitive process. However, the bill is limited to Design-Build projects. He recommended the Board pursue a broader approach to include GC/CM and other procurement methods to protect proprietary information and the competitiveness process up the point of decision-making.

Chair Maruska acknowledged other conversations regarding the topic and recommended including it on the list of potential legislation.

The meeting was recessed for a break from 10:22 a.m. to 10:43 a.m.

Christopher Hirst left during the break.

Chair Maruska advised the Board of the lack of a meeting quorum. No action is allowed on any remaining agenda topics.

OFM Update

Mr. Nygaard reported on the budgetary recommendations for cost estimating for state-funded projects and how those budgets are submitted to the state. The recommendations pertain to architectural engineering (AE) fees for public agencies, issues associated with risk contingencies, and GC/CM risk contingencies in terms of contractual budgeting arrangements. The recommendations are being considered during the state budgeting process and would have an impact on the industry.

Mr. Frare offered to provide the email address to provide input by the comment deadline of Friday, May 9.

Mr. Frare said the issue pertains to an internal budget document agencies submit for estimated costs of different elements of a project.

Representative Haigh asked whether the information is specific for capital budgeting. Mr. Frare affirmed it pertains to capital budgeting.

Ms. Deakins said the recommendations would change the AE schedule, which affects the design industry and how fees are negotiated with consultants. Mr. Nygaard said it also affects the amount of contingencies available to projects. The intent is providing some guidance in both those areas.

Representative Haigh asked whether the recommendations were prompted because the Legislature failed to pass a capital budget. Mr. Frare replied that it is part of biennial budget cycle to update current conditions within the environment.

Ms. Deakins added that the cost study was a product of the proviso in the capital budget during the 2013 session to review consultant costs that appeared to be higher than budgeted. A large element is the AE fee schedule has not been updated for at least seven years and is not keeping pace with inflation and the industry.

Representative Haigh replied that the issue might relate to the Columbia River crossing and the audit completed by the State Auditor's Office. The report was released several weeks ago. She chaired the committee. There were some issues ranging from \$1 million to as high as \$12 million. Some individuals believe it was a misuse of public funds. Some decisions were rendered that likely were not good decisions. It likely was generated by the desire to keep contract management closer when those decisions are rendered by a management team. She encouraged members to review the State Auditor's report to understand how those decisions created concerns.

Life Cycle Cost Study Recommendations

Chair Maruska reported the CPARB received some recommendations from the Life Cycle Cost Committee for additional review. The first was establishing a committee to develop guidelines for post occupancy verification and how the process best fits into procurement in project delivery. Another recommendation is for a committee to explore how this could be enhanced for other procurement methods beyond DB, as well as recommendations for training programs and monitoring and tracking the success of several projects. Because of the lack of a meeting quorum, he offered to discuss the recommendations with Walter Schacht on the best method to implement the recommendations.

Mr. Kommers advised he spoke with Mr. Schacht after the last meeting. The Life Cycle Cost Analysis Report was difficult to produce by the end of December as directed by the Legislature. He acknowledged the work of staff and stakeholders for their participation. The report is under review by some public bodies considering life cycle cost analysis. Mr. Schacht has some ideas on how to combine some of the information. He recommended asking Mr. Schacht to prepare a proposal on how a subcommittee might be structured to work on the issue. The matter at this point is not urgent.

Chair Maruska asked whether OFM and DES are working on resolving some of the information in how life cycle costs would be modeled to develop a standard. Mr. Frare said he's unsure of the status.

Ms. Deakins added that Executive Order 13-03 required OFM to develop a life cycle cost model for agencies to use in future projects for the 2015-2017 biennium and beyond beginning with pre-design and follow on phases in projects. She doesn't believe the model's been released. Another element of the Executive Order was for DES to develop sustainable design guidelines, which were developed and posted on the DES website.

Representative Haigh asked whether the intent is determining life cycle costs of state buildings. Because if efforts are to be expended for documenting life cycle costs, that information could be provided to the state to aid the state in determining the priorities of building remodel/replacements. If the efforts are to be expended developing a model for determining life cycle costs, it should be to the benefit of the people of the state by enabling the state to better plan for the future.

Tonia Sorrell-Neal, Masonry Institute of Washington, reported the State Building Code Council is preparing a report to include life cycle costs. She is a member of the Green Tag for the SPCC, which is rendering a set of recommendations that likely don't mirror the recommendations within the CPARB Report.

Chair Maruska said the example speaks to the number of parties pursuing different issues. Attempting to achieve consistency between the various parties is important and is one way to approach the complexity of life cycle costs, dependent upon how information is utilized and the types of decisions rendered.

Steve Crawford said the Office of the Superintendent for Public Instruction has an asset preservation program for state-match funded school projects requiring schools to report conditions of buildings over the course of time to potentially qualify for matching funds for new/modernization funds in 30 years.

Ms. Deakins said the intent of OFM's life cycle cost model is to assist decision-making for projects and to help decisions for different building elements by comparing the difference in costs over the life of the building.

Chair Maruska affirmed Mr. Kommers intent to pursue conversations with Mr. Schacht for recommendations on moving forward.

Small Dollar Public Works Issues

Chair Maruska reported that during ongoing work in support of reauthorization of 39.10, one issue addressed by some smaller public entities was the difficulty in meeting all requirements a low dollar public works project triggers. The discussion did not pertain to prevailing wage. For many small agencies, the alternative of a small works roster is difficult and expensive with many having difficulty in soliciting local companies to register on the small works roster. He suggested the discussion should be broadened in terms of how the CPARB might help smaller public entities address the concerns.

Mr. Nygaard supported the suggestion as it affords an opportunity to encourage smaller agencies to participate with the CPARB.

Mr. Campanella asked whether a list of the most problematic issues has been identified to assist the CPARB. Chair Maruska cited some examples of concerns.

Mr. Myers asked whether any specifics have been identified because in the past, legislation has been introduced that created some concerns for many stakeholders. When legislation is passed, it applies across the board to all organizations. Often, many provisions in the statute are not effective. The construction trades would monitor the issue closely, as there would be concerns about potential legislation. Chair Maruska acknowledged that some legislation in the past created some issues. The problem still exists and the CPARB should consider how best to address the issue. It's important to engage the right individuals in a collaborative process to develop legislation that everyone understands and approves. During the work on reauthorization, those collaborative efforts were successful because issues were focused. It's important to air and discuss all stakeholder concerns.

Mr. Thompson reported his company constructs \$100 million projects and while it's challenging to manage a \$100 million project, it's often necessary to administer a contract for a \$2,000 driveway. He volunteered the company's business manager as a committee member because there could be some ideas the private sector could provide from a business perspective.

Mr. Frare commented that often the Board becomes focused on what is a public work and forces itself into public works processes. Other procurement methods are available to agencies. As a state agency, it's possible to pursue direct buy, professional services contracting, personal services, and purchased services. Each of those processes has a different definition. Sometimes the focus is deeming every problem as a public work and therefore it

should follow RCW 39.04. He urged the Board to recognize that there are different ways to address the issues and to consider other existing RCWs. Chair Maruska agreed a review of the definition “public work” would be a good starting point.

Mr. Shen shared that one industry concern from small contractors is the burdensome and prescriptive insurance and bonding requirements, which is one of the biggest barriers to achieving desired outcomes. He supports efforts to help improve the efficiency of those processes.

Chair Maruska suggested during the next several months, he and other stakeholders would contact interested members and others to develop a proposal on establishing a committee to move the discussion forward. There is recognition that issues exist. It makes sense for the Board to spend some time on addressing potential solutions.

Mr. Kommers said although a committee might be important, the stakeholders are known as the concerns have been expressed to the Board. He suggested the stakeholder group should release the proposal to the Board rather than establishing a committee so members can begin working on concerns along with any solutions.

Web Based Data Collection Update

Ms. Deakins reported no progress has occurred on data collection efforts because of limited resources within DES. A workgroup identified at the February meeting has not met at this point. A draft proposal from last fall will serve as the starting point for the workgroup.

Chair Maruska asked about the prognosis for securing additional resources prior to September.

Mr. Frare advised that the likelihood of addressing data collection during the summer construction season is small. The department is addressing capacity through the addition of staff; however new staff require transition time for training.

Chair Maruska emphasized the statutory requirement for data collection on job order contracting. Ms. Deakins advised that some DES personnel are working on data collection for job order contracting. She is not certain of the schedule but would likely have information available for the September meeting. The statute requires agencies to report annually to the Board. DES provides the template for agencies to report, as well as prompting agencies to complete the report. DES plans to secure the last two years of data for the Board. She affirmed the intent of providing the data to the Board in the fall.

Other Business

Representative Haigh commented on the ongoing downturn in construction activity in small towns across the country. Many towns house old buildings with outdated facilities that house tenants on a rotating basis because the buildings are outdated and in poor condition. Many of the sites require clean-up adding to the cost. She’s a firm believer that policies should be adopted to incentivize rebirth of public and privately-owned buildings in downtown areas. Some towns have been successful in revitalizing new construction. She is seeking a way to incentivize reconstruction in small towns and larger cities. Another issue is the need for large systems (such as wastewater plants) to accommodate growth for the next 100 years with only a limited number of paying customers supporting the cost, which in most cases is unaffordable. Those issues are impacting plans for growth in the future. Growth management in some respects has failed the state. She suggested that everyone engaged in public works, running cities, designing buildings, or demolishing buildings should meet and consider how to create incentives and provide the support for cities and small towns to determine ways to plan and grow for the future. Somebody needs to provide leadership on that type of a plan and she believes the Board is the group that could provide such leadership. Although it could be considered outside the realm of capital projects, it’s not,

because it's future construction and how the state plans for services citizens will need. She invited members to meet with her to share ideas.

Mr. Shen asked whether the Board could receive some history on its role with public/private partnerships and efficiencies in public work contracting, as it could be an opportunity for private and public sectors from a funding perspective to interject into infrastructure projects. Some states are more effective than other states. He's unsure of the state's status in that particular arena. He questioned the leeway the Board might have to **review 3P legislation**, as there appears to be some opportunities. It appears the Board often experiences conflicts with the world of public works contracting and the rules, and migrating that with the private sector and available funding mechanisms.

Chair Maruska said the question is excellent. The state doesn't have a P3 statute other than WSDOT's limited P3 for the Tacoma Narrows Bridge. However, for most agencies, there is no P3 capability because of the lack of a statute. It could entail a future discussion by the Board.

Mr. Thompson said the recommendation for joint efforts to help revitalize smaller communities brings to mind Jack Kemp and enterprise zones. Thirty years ago, Mr. Kemp pursued enterprise zones on the East Coast. The model exists, but may need updating.

Ginger Eagle, Washington Public Ports Association, referred to the discussion on issues encountered by smaller agencies pursuing public works projects. She often encounters agencies that are struggling. Often, many of the requirements are not followed because of the difficulty, lack of staff, lack of time, or the cost. WPPA has attempted to introduce legislation and has not been successful. She is concerned with the recommendation against forming a committee and releasing ideas for comment because it's the process WPPA pursued unsuccessfully. She asked that the Board review and research the issues as a group with all stakeholder interests to avoid similar failures.

Mr. Kommers said that although he doesn't disagree, it's not possible for the Board to establish a committee at this time. There are a number of stakeholders who could meet now and begin discussing issues to establish some of the platforms planks for the committee. He encouraged members to accelerate the process and share ideas. He would also appreciate receiving information on proposed legislation in the past along with some potential solutions to assist stakeholders in beginning the review. In most cases, a committee is established to help work on competing issues and develop a compromised proposal for the Board's consideration. Much of that work could be accomplished prior to establishing a committee in September.

Ms. Eagle stressed the need for the Board to form a committee.

Mr. Kommers noted that it's not possible to form a committee at this time because the Board lacks a quorum.

Frank Lemos, Commissioner, Washington State Commission on Hispanic Affairs, said he understands that Board meetings are to be recorded. The Board verified the meeting is being recorded. Mr. Lemos said it is also difficult to hear the Board's conversation. He suggested having microphones available for members or having members speak louder. He works with the Governor's Office on recommendations for filling positions on the CPARB and one ongoing concern is the appearance of presetting and identifying potential new members. The website lacks information on each member's length of term. If he had been aware of Mr. Absher's term ending, he would have met with the Governor about a potential replacement. He contacted DES in December requesting the information, which wasn't provided. Consequently, he involved the Governor's Office to determine the terms for each Boardmember. The information should be published on the website to afford an opportunity for those in the community who may have an interest in a Board position to begin engaging with stakeholders to

experience the workings of the Board, as well as presetting nominees prior to the expiration of terms. He asked staff to follow up on the recommendations.

Ms. Sorrell-Neal asked whether industry recommendations for appointments to the Board should be forwarded to the Governor's Office or to DES. Chair Maruska said the Board's 13 positions are appointed by the Governor and all recommendations should be forwarded to the Governor's Office. The Governor's Office may solicit input from various sources. The statute identifies how membership is appointed.

Ms. Deakins noted the terms of each member is posted on the Governor's website and would be included on the DES website. Production of a chart similar to PRC's might be helpful as well. The Board previously had a similar chart and staff will follow up to create a similar list.

Set Agenda Items for September Meeting

Agenda items for the September meeting were not established because of the lack of a meeting quorum.

Adjournment

With there being no further business, Chair Maruska adjourned the meeting at 11:38 a.m.

Staff & Guests

Nancy Deakins, DES	Dick Lutz, Centennial Construction
Danelle Bessett, DES	Dwayne Harkness, DES
Ginger Eagle, WPPA	David Mahalko, King County
Tom Gow, Puget Sound Meeting Services	Larry Stevens, Spec Construction
Tom Henderson, DES	Andrew Thompson, Granite Construction
Phil Lovell, PRC	Bob Armstead, NAMC
Penny Koal, PRC & SPSCC	Tonia Sorrell-Neal, Masonry Institute of Washington
Frank Lemos, WA State Commission on Hispanic Affairs	Robin Hofstad, DES

Robert Maruska, CPARB Chair

Prepared by Valerie L. Gow, Recording Secretary/President
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