

CAPITAL PROJECTS ADVISORY REVIEW BOARD

1500 Jefferson Street SE
Presentation Room
Olympia, Washington 98504

Minutes May 9, 2019

MEMBERS PRESENT	REPRESENTING	MEMBERS ABSENT	REPRESENTING
Walter Schacht (<i>Chair</i>)	Architects	Brian Belarde	Construction Trades Labor
Rebecca Keith (<i>Vice Chair</i>)	Cities	Steven Crawford	Higher Education
Joaquin Hernandez	Private Industry	Greg Fuller	Specialty Contractors
Charles Horn (Telecon)	Insurance/Surety Industry	Senator Bob Hasegawa	Senate (D)
Janet Jansen (for Bill Frare)	State Government	Brent LeVander	General Contractors
Santosh Kuruvilla	Engineers	Rep. Steve Tharinger	House (D)
Robert Maruska	Washington Ports	Senator Judy Warnick	Senate (R)
Mike McCormick	Higher Education		
Irene Reyes (Telecon)	Private Industry	<i>Vacant</i>	Hospital Districts
Mark Riker	Construction Trades Labor	<i>Vacant</i>	House of Representatives (R)
Mike Shinn	Specialty Contractors		
Andrew Thompson	General Contractors		
Lisa van der Lugt	OMWBE		
Jane Wall (<i>Telecon</i>)	Counties		

Staff & Guests are listed on the last page

WELCOME & INTRODUCTIONS

Chair Walter Schacht called the regular Capital Projects Advisory Review Board (CPARB) meeting to order at 8:33 a.m.

Members present and participating by telecon provided self-introduction. A meeting quorum was attained.

APPROVE AGENDA - *Action*

Chair Schacht proposed revising the agenda to reflect that he would provide the report on the *Proposed Business Equity/Diversity Business Inclusion Committee*.

Andrew Thompson moved, seconded by Robert Maruska, to approve the agenda as amended. Motion carried unanimously.

APPROVE FEBRUARY 14, 2019 MEETING MINUTES – *Action*

The following changes were requested to the minutes of February 14, 2019:

- On page 6, correct the spelling of “Kyle Twohig.”
- On page 5, revise the sentence within the third paragraph under *BOARD DEVELOPMENT COMMITTEE – Discussion & Action* to reflect that Mr. Riker has been a member of the Board since 2009.

Andrew Thompson moved, seconded by Mark Riker, to approve the minutes of February 14, 2019 as amended. Motion carried unanimously.

INVITATION FOR PUBLIC COMMENTS

Chair Schacht invited public comments throughout the meeting.

Chair Schacht advised of Steve Masse’s recent change in employment from the state to Thurston County.

Chair Schacht reminded members to respond to requests from staff concerning the status of participation in meetings. A response from each member is important to determine whether a meeting quorum can be attained.

REPORTS

Reauthorization Committee – Discussion/Action

Chair Schacht deferred discussion pending the arrival of Vice Chair Keith.

Design-Build Statute Committee - Discussion

Chair Schacht reported Substitute House Bill 1295 passed the House and Senate and was signed by the Governor. The Design-Build Statute Review Committee remains as constituted but lacks a charge from the Board. Pending recommendations from the Reauthorization Committee for evaluation and investigations, members of the Design-Build Statute Review Committee will continue to support a variety of educational efforts, such as working with the AGC Education Foundation and supporting other educational/training efforts around the state.

Robert Maruska asked whether the committee plans to review the Design-Build Best Practices Guidelines based on the passage of SHB 1295 to determine whether to update the guidelines. Chair Schacht affirmed the committee plans to update the guidelines. Nick Datz and Olivia Yang's team at Washington State University assisted in updating the best practices component for the educational program. Updating efforts should be underway in the next several weeks. The next AGC Education Foundation workshop is scheduled in June. Coordination efforts continue with Janet Jansen with DES to schedule a DES client workshop.

Mr. Maruska asked whether it is the intent to have updated information when the bill becomes effective on July 1, 2019. Chair Schacht said the goal is to have information updated no later than when the bill becomes effective.

Andrew Thompson asked whether the Board has officially established a GC/CM Committee. Chair Schacht advised that formation of the committee would be considered by the Board later in the meeting. The inclusion of the GC/CM Committee on the agenda was because of conversations by Board members about the importance of establishing relationships between the committees and the Reauthorization Committee. One of the possibilities was designating all committees as subcommittees of the Reauthorization Committee. However, that proposal is no longer under consideration at this time because the JOC Evaluation Committee is pursuing some next steps and the GC/CM Committee has a substantial amount of future work to complete prior to reporting to the Reauthorization Committee and to the Board. Committee reports were listed together for the purpose of this meeting's agenda but moving forward the committees will be listed separately on the agenda.

JOC Evaluation Committee - Discussion

Tae-Hee Han, Co-chair, JOC Evaluation Committee, updated members on activities of the JOC Evaluation Committee. At its last meeting on April 24, 2019, Randy Horn, with The Gordian Group, was proposed to serve as a member of the committee representing the western area of the state. The committee discussed establishing the last Wednesday of each month as the committee's regular meeting date. Members did not discuss the proposed JOC changes but focused on defining strategy to communicate and outreach to new JOC users when the method becomes effective on July 28, 2019. Members are working on training materials and reaching out to new users. The committee anticipates completing and distributing training materials when the law becomes effective at the end of July.

Mike Shinn arrived at the meeting.

Tae-Hee Han proposed Randy Horn with The Gordian Group to serve on the JOC Evaluation Committee.

Chair Schacht noted that The Gordian Group is a national company providing cost estimating services for JOC projects. Mr. Han added that the company also provides services in a construction manager (CM)/ project manager (PM) capacity to public owners. Other representatives from The Gordian Group also participated during committee meetings but do not serve as voting members. Mr. Horn would serve as the only elected member representing The Gordian Group. Members of the JOC Evaluation Committee are listed on CPARB's website.

Mark Riker said he was not familiar with the company and asked about the company's location. Mr. Han said the company is based in Minnesota and has been contracted to provide CM services to many public agencies in western Washington to include King County and the City of Bellevue.

Mr. Riker commented that the committee lacks labor representation. He offered to submit a name to represent labor interests.

Janet Jansen added that the Board should also consider replacement of Bob Bourg, who is retiring at the end of May from DES.

Mr. Han noted the current membership list is a carryover from when the committee was first established. Many members have since been replaced. Some new members were nominated during the committee's December 3, 2018 meeting.

Rebecca Keith arrived at the meeting.

Mr. Maruska advocated for creating a labor position with the name of the member submitted by Labor.

Robert Maruska moved, seconded by Mike Shinn, to amend the membership of the JOC Evaluation Committee to reflect the following appointments:

- ***Gina Owens, City of Seattle***
- ***Brent LeVander, Centennial Contractors Enterprises***
- ***DES representative to replace current member Bob Bourg, who is retiring in May***
- ***Quinn Dolan, Centennial Contractors Enterprises***
- ***Representative from Sound Transit***
- ***Aleanna Kondelis, University of Washington***
- ***Eric Lindstrom, Forma Construction***
- ***Maja Sutton Huff, Washington State University***
- ***Trades Labor member to be identified by Mark Riker***
- ***Randy Horn, The Gordian Group***

Motion carried unanimously.

GC/CM Committee - Discussion

Chair Schacht suggested designating committee member positions, which should reflect the composition of the Board. He encouraged members to offer nominations because of the importance of having a clear understanding of any potential statutory changes by the first of next year to the procurement method as outlined in RCW 39.10.

Vice Chair Keith said the goal is to introduce a bill for reauthorization by the first part of 2020 or by the end of next year to enable a thorough review during the summer prior to the Board acting on the proposal in fall 2020.

Chair Schacht suggested the following composition of the committee:

- Architect
- Cities
- Construction Trades Labor
- School Districts
- DES
- Specialty Contractors
- Private Industry
- Insurance Industry – Advisory to the committee
- Engineers – Santosh Kuruvilla
- General Contractors

Chair Schacht stressed the importance of the committee attaining a quorum to enable the committee to meet regularly.

Mr. Thompson suggested deferring a nomination for the General Contractor position until after appointments to the PRC have been completed. He asked about the mission and goal of the committee.

Chair Schacht advised that over the last several years, the Board evaluated the use of Design-Build and developed Best Practices Guidelines. As part of that process, certain aspects of the statute were identified for modification to improve efficiency of the delivery method and to account comprehensively for all types of Design-Build procurement, such as adding "Progressive" to the statute. Similar changes were pursued for JOC. The JOC Evaluation Committee plans to review the statute based on recent issues that were not addressed prior to adoption of the statute. The GC/CM delivery method has not had the benefit of a similar evaluation. After an increase in use of GC/CM by higher education and some school districts, many owners have moved to Design-Build because of the complexities of GC/CM procurement.

Additionally, some issues exist with EC/CM and MC/CM procurement, such as change and frequency of use issues with certain aspects of the statute that have not been thoroughly evaluated by the Board. The timing is right to evaluate GC/CM and seek input from the industry about what is or is not working. To the extent possible, the goal is to modify the statute as part of reauthorization to improve outcomes. Additionally, when language was modified in the RCW for Design-Build to include past performance utilization of women, minority, veterans, and small businesses as part of the required evaluation criteria, the RCW for GC/CM procurement was not amended to include similar language. One task for the committee is to review a similar proposal for GC/CM.

Mike McCormick commented that the success of reviewing the Design-Build statute was because of the initial examination of best practices and the creation of guidelines for best practices as an educational tool for the industry. He suggested a similar re-examination might be warranted for examining best practices of the GC/CM delivery method. An outcome of that review could identify some discrepancies between best practices and the statute, which the committee could pursue through proposed legislative changes as opposed to changing the legislation without the benefit of a best practices review.

Chair Schacht shared that he also considered a similar process but after several conversations with stakeholders, he concluded a similar pathway but not precisely in the same sequence of events. Producing a set of best practices can require a year-long effort. Conversely, changes to the Design-Build statute were modest. Any proposed changes to the statute based on GC/CM best practices would likely be minor. He would prefer not pre-judging the extent of any changes to the GC/CM statute but updating the Board on the outcome of a best practices review followed by drafting and identifying proposed statutory changes as opposed to completing a thorough GC/CM best practices guidelines document because of the condensed timeline.

Mr. Maruska said a number of public owners utilizing GC/CM have suggested the prescriptive nature of the statute should be considered during any best practices review.

Vice Chair Keith agreed that a substantive review of the GC/CM statute would be important; however, as part of the efforts to develop a reauthorization bill, some provisions in the statute would need to be addressed. She would prefer the committee's experts focus on those efforts. She supported establishing a broad goal for the GC/CM Committee to review the GC/CM procurement process/RCW 39.10 provisions and offer any recommendations on changes to statute provisions or best practices.

Mr. Kuruvilla pointed out that the work of the GC/CM Committee would feed directly to the work of the Reauthorization Committee at some point. He suggested clarifying the schedule to assist the Board in determining the required level of effort.

Vice Chair Keith replied that the goal is to produce a bill to reauthorize the statute in draft form by May 2020 with the preliminary draft prepared by the end of 2019 or January 2020 to enable the Board to offer feedback and revisions. A refined bill should be developed by the Board's last meeting in 2020, as that would provide sufficient time during the summer for a review by all stakeholders prior to the Board's approval to move the bill forward at the end of 2020. It would be important to have a committee with expertise and to solicit feedback from other industry representatives to ensure an inclusive effort.

Mr. Kuruvilla offered that it likely would be more important to establish a schedule of the process rather than defining the goal of the committee.

Vice Chair Keith offered the following goal for the committee: *Review GC/CM processes and the statute and work with the Reauthorization Committee to submit recommendations.*

Walter Schacht moved, seconded by Mike McCormick, to establish the mission of the GC/CM Committee to reflect, "Evaluate best practices and GC/CM procurement, what is or is not working, provide a summary statement of that evaluation to the Board identifying where outcomes could be improved through documented best practices guidelines, document where outcomes could be improved through changes to the statute, and recommend those changes to the Reauthorization Committee."

Mr. Hernandez said the mission is rather aggressive as the guidelines would be a large undertaking.

Chair Schacht replied that the proposal would produce a summary of best practices rather than a document of best practices guidelines. Mr. Hernandez responded that the proposal appears to be too aggressive. Chair Schacht offered that the development of the guidelines could also follow reauthorization.

Vice Chair Keith said it is likely the process would be hand-in-hand because identifying the proposed bill includes completing an analysis of what is appropriate for the statute and what is appropriate for guidelines and best practices. She agreed it is unrealistic to expect a document similar to the Design-Build Best Practices Guidelines.

Chair Schacht agreed the schedule is aggressive regardless of the scope because the GC/CM provisions within the statute encompass many chapters of the RCW versus other delivery methods. Because of the improbability of defining an outcome, the best course is for the committee to begin diligently working on efforts.

Lisa van der Lugt asked whether history would be a good indicator of the required effort, as she also believes the schedule is aggressive. She questioned the possibility of identifying assignment of tasks and soliciting some staff support. It is okay to be aggressive as long as the Board is realistic.

Mr. Thompson added that significant concerns by public owners and the contracting community have been shared about GC/CM that should be addressed by the statute. Spending time and efforts now might be advantageous and helpful. The contracting community is concerned about the procurement while public owners are concerned about the execution of GC/CM. Composition of the GC/CM Committee should include individuals who are as committed as the group that was involved in the Design-Build Best Practices Committee regardless of the outcome for either statutory changes or best practices. That committee worked extensively hard to achieve an outcome.

Chair Schacht remarked that in comparison, the review of Design-Build was a much easier task. In terms of future tasks, reauthorization is scheduled and two of the three procurement methods have been revamped, which speaks to importance of completing a similar review for GC/CM. During the reauthorization review, the committee will also discuss the possibility of eliminating the sunset procedure. The sunset reauthorization is a substantial task and if it should be eliminated, it speaks to the importance of reviewing the GC/CM statute. He questioned whether the Board should schedule additional meetings next year and/or extend the work of the GC/CM Committee until April 2020.

Vice Chair Keith noted that the reauthorization schedule essentially targets the last meeting of the Board in 2020 as the deadline for the draft of statute changes. The Reauthorization Committee conducted its first meeting; however, even though the meeting was well-attended, not all stakeholders attended. She would like to address that issue later in the meeting in conjunction with establishing a meeting schedule.

Vice Chair Keith called for a vote on the motion.

Mike Shinn remarked that monthly meetings of the committee would likely ensure progress as GC/CM has been a delivery method for many years. As a representative of specialty contractors, most are not a fan for removing the sunset clause because the purpose of the sunset clause is to enable legislative changes. Specialty contractors agree that some changes are required in terms of the statute because of current practices in the bid process not complying with the statute. Some general contractors are pursuing actions not allowed in the statute. He asked about minority participation on the GC/CM Committee. Chair Schacht advised that the composition of the committee has not been finalized at this point. Board members contemplating appointments to the committee should consider women, minority, veteran, and small businesses as potential members.

The motion carried unanimously.

Mr. Maruska shared that based on his experience, the work of the committee would entail a thorough review of the statute. He asked for feedback from any member who prefers not engaging in that level of effort.

Chair Schacht reminded members who are willing to serve or is offering a nomination to ensure candidates are committed to attending and participating at each meeting to ensure a meeting quorum. Mr. Thompson echoed similar comments and stressed the importance of DES providing administrative support to the committee.

Chair Schacht reviewed the proposed membership of the GC/CM Committee:

- Architect – *identified by Chair Schacht*
- Cities, *Rebecca Keith to identify*
- Todd Mitchell, Construction Trades Labor
- Schools – identified by Steve Crawford
- Scott Middleton
- Joaquin Hernandez, Private Industry
- Santosh Kuruvilla, Engineers
- Shannon Gustine, General Contractors
- Janice Zahn, Ports
- Penny Koal, DES
- Higher Education, *identified by Mike McCormick*
- OMWBE – *Lisa to fill temporarily*
- Nick Datz, Sound Transit (nominated by Chair Schacht)

Walter Schacht moved, seconded by Rebecca Keith, to appoint the following individuals to serve on the GC/CM Committee:

- ***Architect – to be determined***
- ***Cities – Rebecca Keith to identify***
- ***Todd Mitchell, Construction Trades Labor***
- ***Schools – Steve Crawford to identify***
- ***Penny Koal, DES***
- ***Scott Middleton, Specialty Contractors***
- ***Joaquin Hernandez, Private Industry***
- ***Santosh Kuruvilla, Engineers***
- ***Shannon Gustine, General Contractors***
- ***Janice Zahn, Ports***
- ***Higher Education representative to be identified***
- ***Lisa van der Lugt or replacement, OMWBE***
- ***Nick Datz, Sound Transit***

Jane Wall (telecon) requested clarification on the timeline for appointments to the GC/CM Committee. Vice Chair Keith explained that the goal is to develop a draft reauthorization bill by May 2020, which essentially would require completion of the committee's work product on any statute changes.

Chair Schacht recommended Mr. Datz serve as interim chair until the committee elects its chair. He asked Mr. Middleton to assist Mr. Datz in initiating activity to enable the committee to begin meeting. Mr. Middleton affirmed the request.

Motion carried unanimously.

Reauthorization Committee –Discussion/Action

Vice Chair Keith reported at the last committee meeting, members focused on opportunities and challenges surrounding reauthorization and the Board's record when JLARC initiates its review. Although Labor was not represented, specialty contractors attended the meeting. Issues emerging from the opportunities and challenges discussion centered on the need to address MC/CM provisions in the statute, the role of CPARB and its composition, GC/CM, PRC equity and promoting open competition, inclusion, JOC issues, and sunset provisions. The committee plans to establish topic areas and publish a meeting schedule of the topic work groups with one more meeting of the full committee.

Secondly, other Board committees will be asked to review pertinent legislation to help define consistency and provide feedback to the Reauthorization Committee. The published meeting schedule should enable all committees to pursue

those efforts while avoiding parallel efforts or conflicts with the Reauthorization Committee. The intent is to receive work products from other committees to feed into the work of the Reauthorization Committee rather than duplicating efforts.

Mr. Maruska said all members should understand that at the end, some compromises are necessary that might affect provisions in the final bill. It is important to ensure sufficient time and a structure for all stakeholders to work with the Reauthorization Committee as the entity responsible for pulling all the pieces together to produce a bill.

Vice Chair Keith said the comments are fair and speak to the purpose of the proposed structure. She is receptive to input from others because while a Reauthorization Committee is necessary, she understood that the last process generated some areas where subgroups of experts in different areas were necessary for a successful process. It is likely liaisons or connections with other groups and committees would be necessary during the process.

Chair Schacht said that in an ideal world, a co-chair or a key member of each procurement committee should also be a member of the Reauthorization Committee to ensure conversations are linked. For example, Scott Middleton is a member of the GC/CM Committee and the Reauthorization Committee. He serves as a link between the two committees and can provide status updates. A similar scenario should be repeated with each of the procurement committees.

Vice Chair Keith reviewed recommended Reauthorization Committee membership:

- Scott Middleton, Specialty Contractors
- Oliva Yang, Higher Education
- Loren Armstrong, Ports
- Rebecca Keith, Cities
- Robynne Thaxton, Private Industry
- Architects
- Construction Trades Labor
- Engineers
- DES
- Counties
- General Contractors
- OMWBE
- Public Hospital Districts
- School Districts
- Transit
- Small Business
- Women and Minority-owned Business
- Insurance/Surety

Members offered committee nominations. Ms. van der Lugt volunteered to serve representing OMWBE. Chair Schacht on behalf of the American Institute of Architects Washington Council, nominated Becky Blankenship as the representative for Architects. Mr. Riker nominated Neil Hartman to serve as the representative for Construction Trades Labor. Mr. Hartman serves as the Political Legislative Director for Washington State Building and Construction Trades Council. Mr. Kuruvilla volunteered to serve representing Engineers. Ms. Wall nominated Eric Nordstrom to serve as the representative for Counties. Chair Schacht nominated Ms. Linneth Riley-Hall to serve as the representative for Transit. Mr. Maruska added that he spoke with Ms. Riley-Hall and she agreed to serve on the committee. Janet Jensen volunteered to serve as the representative for DES. Mr. Thompson nominated Mike Pellitteri to serve as the representative for General Contractors. Charles Horn participating by teleconference did not respond to Chair Schacht's request to consider serving on the committee in an advisory capacity representing Insurance/Surety.

Chair Schacht recommended deferring other nominations to enable the Board to outreach to other constituents. He emphasized the importance of inclusion on the committee. Vice Chair Keith advised that she recommended both a representative from OMWBE and small business to ensure representation from women, veteran, minority, or small business. She offered to work with Ms. van der Lugt to solicit interest from the private sector and spoke to the challenges

of participating on the committee and will explore ways to encourage other ways for participation by small and minority businesses.

Mr. Thompson suggested extending an invitation to Frank Lemos to participate. Chair Schacht replied that an invitation was extended to Mr. Lemos, who declined, as he believes it would compromise his ability to bring issues to the Board.

Rebecca Keith moved, seconded by Lisa van der Lugt, to appoint the following individuals as members of the Reauthorization Committee:

- ***Scott Middleton, Specialty Contractors***
- ***Oliva Yang, Higher Education***
- ***Loren Armstrong, Ports***
- ***Rebecca Keith, Cities***
- ***Robynne Thaxton, Private Industry***
- ***Lisa van der Lugt, OMWBE***
- ***Becky Blankenship, Architects***
- ***Neil Hartman, Construction Trades Labor***
- ***Santosh Kuruvilla, Engineers***
- ***Eric Nordstrom, Counties***
- ***Linneth Riley-Hall, Transit***
- ***Janet Jansen, DES***
- ***Mike Pellitteri, General Contractors***

Mr. Kuruvilla offered to reach out to private contractors.

Motion carried unanimously (11-0).

Proposed Business Equity Committee - Information

Chair Schacht reported membership on the committee includes Walter Schacht, Bill Frare, Janice Zahn, Oliva Yang, Aleanna Kondelis, and Lisa van der Lugt. The committee held one telephone meeting because of legislative session responsibilities. He plans to schedule the second meeting in late May or early June.

Ms. van der Lugt updated members on the status of the Washington State Disparity Study. The study was anticipated for delivery by the Governor on Monday, May 13, 2019 during a meeting with the Civil Rights Coalition. However, the study is currently undergoing review by the Attorney General's Office and is pending another review by a panel of experts. The study should be released by the end of May to accommodate those reviews.

Chair Schacht suggested scheduling a review of Initiative I-1000 during the September meeting. Ms. van der Lugt replied that the outcome of I-1000 is pending until after the November 5, 2019 election. Although I-1000 was passed by the Legislature, a referendum was filed the following day. A yes vote on the referendum would allow I-1000 to go into effect, allowing affirmative action without the use of quotas by the state of Washington. A no vote on the referendum would reject I-1000 with the ban on affirmative action in Washington continuing. Sponsors of the referendum are required to obtain approximately 129,000 valid voter signatures by the end of July 2019 to qualify for placement of the referendum on the November 2019 ballot.

Discussion ensued on whether I-1000 is effective until the election or becomes effective only when the sponsor of the referendum fails to obtain the required number of signatures. Chair Schacht advocated for scheduling a review of I-1000 regardless of any pending action on the ballot so the Board understands the impact of the legislation. Ms. van der Lugt agreed the disparity study and OMWBE's next steps on voluntary measures should be included on the September agenda. Chair Schacht recommended allocating 30 minutes for the discussion.

Aleanna Kondelis, University of Washington, reported she works on the issue at the University and contacted the Assistant Attorney General (AAG) representing the University of Washington regarding the status of I-1000 and the referendum. The AAG indicated Attorney General Ferguson is providing written guidance to all AAGs on what the

action encompasses. She offered to provide a copy of the legal opinion to the Board. She has asked specifically for information on how it impacts contracting. Several AAGs are assisting in developing some white papers for guidance.

Mr. Maruska inquired about the status of efforts for preparation of the statutory changes based on the passage of I-1000. He asked how the timing of the issue might potentially impact RCWs 39.10 and 39.04 as the provisions contained in those RCWs could be moved to another statute for consistency, which could help simplify the work of the Board by providing one statewide statute with all the requirements.

Chair Schacht said the questions speak to the importance of dedicating some time on the September agenda to review the issue.

Data Collection Implementation Committee - Information

Mr. Thompson invited Ms. Kondelis to participate in the update to the Board. Since the last meeting, the committee has met three times and collaborated with the Project Review Committee to utilize the certification and recertification process to identify available information to track GC/CM final reports and self-performance efforts. The committee is tasked to ensure public owners maintain complete records, subcontractor awards, and self-performance tracking. To date, four public bodies have submitted for recertification or certification. A summary of that information is available as a link on CPARB's website under "Public Works Data Collection Effort." The next committee meeting is scheduled on June 14, 2019 at the University of Washington. PRC anticipates receiving three additional applications for recertification this year. Following an opportunity to review all seven applications, the committee will review best practices guidelines and present a recommendation to the Board on the format recommended to track subcontract awards, payments, and GC/CM self-performed work. A review of the recertification applications by the committee reflected different degrees of thoroughness in the information.

Ms. Kondelis thanked public owners for submitting documentation in a timely manner. PRC is providing public owners some extra time to prepare their addendums.

Mr. Thompson accessed the link on the website and provided a live demonstration of Lake Washington School District's information. The data template includes four different entries. The committee reviewed submitted data to ascertain whether the data provides the requested information.

Chair Schacht shared that he was recently asked to provide a wide range of data on certified public owners and project approvals. He would like to have the ability to document in a memorandum, data collected or not collected, as well as whether an agency is committed to greater utilization of minority and women-owned businesses and its performance history. He learned after contacting staff that there is no simple way of sharing information with respect to data collected or not collected. Because of the numerous sources of data collected in different ways, it is impossible to provide individuals/organizations with data they may be seeking. His goal is to respond comprehensively to requests for data. Additionally, the Board is also required by statute to collect specific data relative to evaluations. He plans to reach out to the committee for some assistance to support data collection efforts through DES.

Nancy Deakins advised that DES updated CPARB's link to "Public Works Data Collection Effort" and included background information on data collection requirements and the RCW governing the Board's oversight for collection of data. The information includes the Joint Legislative Audit Committee (JLARC) recommendation to the Board to revise its efforts to better align with issues identified in the 2013 JLARC report and collect information from public bodies on subcontract awards for GC/CM projects as part of the application process for certification and recertification.

Chair Schacht said he was unaware the website had been updated and would direct inquiries to the webpage in the future.

Education/Outreach Committee - Information

Mr. McCormick reported the committee is scheduled to meet monthly. Last month's meeting was cancelled because of conflicts. Current efforts include inventorying all available education programs in the state. Some robust programs are currently available through DBIA, AGC Education Foundation, and JOC programs. Most of the programs are located in western Washington. He asked members to provide any feedback on any education programs offered in eastern Washington to assist in closing the training gap. That gap presents an opportunity for the committee to ensure that during the review and documentation of best practices for alternative delivery models all available programs are utilized.

Inventorying will continue through the summer with outreach to the different program sponsors to help connect training programs with users.

Chair Schacht noted some upcoming training programs include Washington State University's Design-Build Forum in July, DBIA's eastern Washington branch (Spokane) monthly meetings, and the upcoming AGC Design-Build Workshop.

Board Development - Information

Mr. Maruska reported on the committee's task to develop a mission statement. Members identified the mission of the committee as aiding in candidate outreach, recruitment, improve transitioning, and educate new Board members on the roles, operating procedures, and the scope of the Board. The intent is to work with individual representation on the Board and with the Governor's Board and Commission Office to provide information to potential Board candidates, as well as information to potential candidates for the PRC. Information will be shared on Board committees and the goal to maintain and increase bench strength as members retire or move to different careers or positions.

Mr. Maruska announced his pending retirement later in the year and his departure as the Port's representative on the Board in July. He has been working with the Executive Committee of Washington Public Ports Association to appoint his replacement representing Ports.

The committee plans to meet with new appointees to the Board to assist them in becoming familiar with the authority, mission, and working parameters of the Board. The committee will support officer succession by developing a leadership transition plan and discuss options with the Board for alternating private versus public officer positions, possibly conducting elections in May but not seating new officers until September to afford some training time, or possibly adopting PRC's practice of the Vice Chair automatically advancing as the Chair. The committee will also assist in the legislative process. Because of the numerous pieces within the legislative process, it is important for members to understand the importance of reaching consensus and moving that consensus forward.

Mr. Maruska recommended candidates to appoint to the committee. The committee recommended the Chair and Vice Chair should be a member of the Board. Past Chairs and Vice Chairs should serve as a member to maintain continuity. Representation from PRC is recommended by either a current or Past Chair. Other members include representatives from WMBE, small business owners, labor, and CPARB Emeritus members. Discussions during the February meeting were indicative of potentially staggering elections of the Chair and Vice Chair or conducting elections in May but not serving in the positions until September. Membership could number up to 12 members. However, based on previous discussions regarding committee assignments, he is concerned that the Board's bench strength could become over-extended because of limited resources. He invited feedback from the Board on the proposed direction.

Mr. Kuruvilla asked about the possibility of considering a member appointment outside the Board or the PRC to provide a fresh perspective. Mr. Maruska reviewed the tasks of the committee and questioned whether portions of the tasks could benefit additionally from a different perspective. The committee did consider recommending the addition of the Board's legislative representatives as members. He is unsure of other groups that could be represented.

Chair Schacht commented that most boards have a Board Development Committee. Previously, CPARB never established a Board Development Committee. Initial efforts require some work in new member advocacy training and initial documentation or information about what to anticipate within the legislative process. Following initial efforts, the committee would likely not need to convene regularly but only several times a year to identify candidates for PRC and support the process of supporting and soliciting applications for candidates for the Board. Typically, the committee is chaired by the immediate past Chair of the Board. The recommendation for the committee was to appoint the Board's immediate Past Chair and the PRC immediate Past Chair as Co-chairs of the committee. The Co-chairs should understand the responsibility to reach out to the Board to assist in identifying qualified applicants to participate, as well as reaching out to the women, veterans, and minority business community to ensure inclusiveness within the membership of the committee.

Mr. Thompson said the proposal represents a good framework. When he was appointed to the Board, having the information would have been helpful for him personally. He questioned whether the committee would need to meet regularly while acknowledging that the Board will be experiencing a number of vacancies.

Chair Schacht recommended receiving a status report from Board members who plan to reapply for their position. He suggested the committee should provide letters of support for members reapplying.

Janice Zahn shared that she recently convened a public owners meeting on Design-Build. She reviewed several years of applications and invited the owners to the meeting. Many new owners participated that previously had not participated. They were able to have a conversation on Design-Build and the owners were appreciative of the outreach. She offered that it might be conducive to review several years of records to identify those that have been seeking PRC project approval as there could be changes in personnel over the years that are eager to participate.

Mr. Maruska offered to work with the Chair to flush out the proposal with some additional guidance.

Vice Chair Keith said her remarks would be framed both in the near- and long-term structure of the committee. In the near-term, it is likely new members will be appointed to the Board. She stressed the importance of quickly integrating new members to ensure they are able to engage actively in September. She questioned whether that process would be the responsibility of the committee, the Chair, or the Vice Chair, and whether the long-term structure speaks to ways to achieve all the tasks as identified in the draft by members of the committee. She asked about the role of the committee members.

Mr. Maruska responded that the intent is establishing a core committee with some members providing mentorship to new members in terms of the legislative process to help new members understand what is involved in the legislative process. Other members or the same members would provide guidance on the scope and authorities of the Board. The proposed list of individuals could be members of the committee or the committee could be comprised of a small core group. There are several different approaches, and either one would be effective. Some additional structural feedback is desired to determine the process and the desired outcomes.

Chair Schacht recommended retaining the existing committee appointments as the Board is at a point where it is not possible to undertake action to appoint members to a committee. The committee Chair will assume responsibility for new member introduction. Part of the reauthorization efforts would likely include developing the history of the Board, as it would serve as the case statement for reauthorization. Some of those materials would be valuable to new members.

Chair Schacht referred to the number of new Board positions effective July 1, 2019. He asked for feedback from members planning to reapply for their position. No deadline has been established for reapplying.

Ms. Deakins referred the Board to a matrix of Board positions on CPARB's webpage. The Board reviewed the positions becoming vacant in the summer:

- **Architect** – Chair Schacht said he plans to submit his application on Monday, May 13, 2019. He has conveyed to the Governor's Boards and Commissions Office that he intends to reapply. He is seeking to extend his second term for an additional two years to enable completion of the two-year term as Chair and continue in the role of Past Chair to assist in Board development and supporting the process of reauthorization.
- **Construction Trades Labor** – Mark Riker is the incumbent. Mr. Riker advised that he does not plan to reapply and plans to seek a nominee from his organization to apply for the position. Currently, Mr. Belarde serves as the second Construction Trades Labor position on the Board. He plans to ask a member of mechanical crafts to apply for the position.
- **Engineers** – Santosh Kuruvilla is the incumbent. Mr. Kuruvilla advised that he has been encouraged to reapply for a second term. He plans to submit an application by the end of May.
- **General Contractors** – Brent LeVander is the incumbent. The Board received a letter from Mr. LeVander conveying his intent not to reapply for another term. Mr. LeVander's letter stressed the importance of appointing a new member with specific experience in GC/CM because of reauthorization efforts. Curt Gimmestad from Absher Construction has applied for the position. He served as a former PRC Chair and is knowledgeable with the GC/CM delivery method.
- **Insurance/Surety** – The term of the incumbent, Charles Horn, expired in 2017. However, protocol dictates that the member continues to serve in the position until a replacement has been identified. Mr. Horn advised that he has no knowledge of the status of any new appointment to replace him.

- **Private Industry** – Incumbents Joaquin Hernandez and Irene Reyes’ terms are expiring. Ms. Reyes has reapplied. Mr. Hernandez said he does not intend to reapply but would continue to serve until his replacement is appointed. Robyn Thaxton, representing the private sector, has submitted an application.
- **Specialty Contractor** – Mike Shinn is the incumbent. Mr. Shinn has submitted an application for a second term.

Chair Schacht affirmed no changes at this time for the Board Development Committee.

Project Review Committee - Information

Janice Zahn, PRC Chair, reported Jim Dugan is assuming the Chair position effective July 1, 2019.

At the March 28, 2019 meeting, members welcomed two new members. Ms. Zahn thanked the Board for recent appointments to the committee.

During the March meeting, information was shared on CPARB assignments for subcontractor outreach and GC/CM self-performance, revisions to the project application and certification application templates, and a new addendum for owner recertification of GC/CM to address subcontract awards, payment, and self-performance. All template revisions were adopted encouraging owners to complete training and review the Design-Build Best Practices Guidelines. Members reviewed and approved PRC bylaw revisions to incorporate new travel protocols. Draft language for additional changes to the bylaws will be revisited at the May meeting because of the lack of time. The draft language pertains to the owner recertification process and the process for scheduling meetings. During the May meeting, the PRC will accept nominations for the Vice Chair position. Members scheduled a meeting in June to support an anticipated increase in applications during May and June. The PRC is scheduled to meet in May, June, and July. Orientation training was provided to new members.

The PRC reviewed five project applications and approved four applications during the March meeting:

- Ellensburg School District’s New Elementary and Mt. Stuart Elementary School GC/CM project
- Evergreen School District’s Wy’east Middle School Replacement GC/CM project
- Tacoma Public Schools, Downtown Elementary School Design-Build project
- Yelm Community Schools, Yelm Middle School and Southworth Elementary School Replacement GC/CM project

The fifth application from Port of Port Townsend for the GC/CM Point Hudson Jetty Renovation project was not approved. Panel members discussed the project extensively because of the complexity of the project in terms of replacement of pilings while maintaining operation of the jetty area. The consultants for the project did not appear to have specific knowledge of RCW 39.10 and the panel believed the project was a better candidate for Civil GC/CM where there is interaction and the ability to negotiate a specific component of the work instead of hiring a GC/CM and then bidding the work. The project was not approved and the applicant received a letter of explanation. The process identified the possibility of assisting owners submitting applications to help them understand the level of expertise and experience the panel is seeking. Earlier in the year, another public owner encountered the same challenges in acquiring adequate subject matter expertise.

During 2019, the PRC approved six projects totaling \$425 million. Three owners submitted applications for recertification. They included Lake Washington School District for GC/CM, Sound Transit for GC/CM, and Design-Build recertification from Washington State University. Recertification was approved unanimously by the committee for Lake Washington School District and Sound Transit. However, because the Washington State University presenters’ flight from Spokane was canceled, the presenters were unable to attend the meeting. The committee deliberated and considered the owner’s upcoming expiration of its Design-Build certification and agreed to allow the owner to conduct the presentation via teleconference. The recertification for Design-Build was approved unanimously by the committee. Subsequently, the fourth GC/CM recertification application submitted by Washington State University was withdrawn at the request of the University and will be considered at the May meeting.

At the May meeting, during a bylaws review, conversations are anticipated around the committee’s expectations as there were several members who believed that unless the presenters were present, the committee should not have considered the application. However, the owner’s certification was expiring and it was not the applicant’s fault that the flight had been cancelled. That situation had never occurred before. The presenters did a good job during the presentation and answered the committee’s questions.

Ms. Zahn said the PRC position for Counties has been vacant for approximately one year. Additionally, the position representing Hospital Districts has been vacant for several years. She recently reviewed hospital projects using alternative delivery and identified Evergreen Hospital as an owner that might be a potential candidate to contact.

Mr. Thompson asked whether the two vacancies have created a strain on the committee's process. Ms. Zahn said it can often become problematic during the legislative session, as several members are active in legislative advocacy and are unable to attend meetings during the January through April timeframe. She looks forward to the Board filling positions later in the meeting, as it is much easier to achieve a meeting quorum when most of the positions are filled.

Chair Schacht thanked Ms. Zahn for her service to the PRC on behalf of the Board. As PRC Chair, she did a good job in providing a succinct report on the status of PRC activities. Ms. Zahn is also involved in many activities for both the Board and PRC.

*Chair Schacht recessed the meeting at 11:14 a.m. for a break.
Chair Schacht reconvened the meeting at 11:31 a.m.*

MCCM PROCUREMENT – DISCUSSION

Chair Schacht invited Scott Middleton to review some issues identified by mechanical contractors surrounding MCCM procurement. A letter from Mr. Middleton outlining the concerns was included in the Board's agenda packet.

Mr. Middleton reported he serves as General Counsel and Government Affairs Director for Mechanical Contractors Association (MCA). He thanked the Board for its time. Ed Kommers extends warmest greetings, as he was unable to attend the meeting.

The April 3, 2019 letter addresses MCA's serious concerns on how MCCM is being administered to the point where MCA is unsure whether it will continue to support the procurement method under RCW 39.10 without some substantial changes. At this time, no action is requested of the Board; however, because of respect for the Board's process and CPARB'S oversight of RCW 39.10 and RCW 39.10.385 specific to MCCM, his comments will only pertain to MCCM. Additionally, MCA has encouraged General Contractor/Construction Managers (GC/CMs) to become involved in the sunset review process.

When MCCM legislation was adopted in 2010, it was through the work of many stakeholders, the Board, MCA, and Ed Kommers who was serving as Vice Chair of CPARB and Executive Director of MCA at that time. Provisions in the RCW likely would not have been adopted without the support of MCA in 2010. The proposed legislation established a qualifications-based selection of mechanical contractors. Today, a shift is occurring towards an emphasis on finding the low-bid contractor. RCW 39.10 mandates all procurement methods to be open, fair, and based on objective and equitable criteria included within the statute. MCA lacks confidence because in many cases, selections are not based on those requirements within the RCW.

The decision to utilize MCCM selection is based on three components of (1) scoring of written qualifications, (2) an interview, and (3) a final proposal. In reality, too much emphasis is placed on the final proposal. Although the final proposal is part of the process, it works in tandem with the interview and scoring of written qualifications. Additionally, Request for Qualifications (RFQs) are being broadly written and often do not allow for differentiation of proposals at the qualifications stage. MCA is finding that the determining factor is always the final proposal rather than a combination of the three components.

Public hearings are an integral part and required by statute. Some situations occurring regularly do not allow for a meaningful public hearing process. The statute requires 14 calendar days' notice of a public hearing. Often, draft RFQs are released several days prior to a public hearing inhibiting the opportunity to provide constructive feedback. RFQs are typically 20+ pages. Release of the RFQ just before the public hearing does not allow sufficient time to review and provide meaningful comments. Additionally, notice of many public hearings is only published in local newspapers rather than in the Daily Journal of Commerce, limiting exposure to MCA and the mechanical contracting industry. Cases have been identified after the public hearing where the public body and the GC/CM issued a notice based on the comments received pertaining to weights, criteria, and public interest. Public bodies and the GC/CM often advise that it would be in

the best interests of the public to continue with MCCM procurement as opposed to low bid procurement. In theory, the owner and the GC/CM have responded to comments, but in many cases, only cursory responses were provided to the feedback/comments, which has not been helpful. In some cases, no determination was issued with the process proceeding directly to the call for proposals. Weights and the criteria include gray areas; however, there is no option to debate statutory requirements.

In terms of the interview process, one of the requirements for all alternative procurement methods is to ensure an open and fair process based on objective criteria. In many cases, interview evaluators were not identified or how the interviews were evaluated. That process is not transparent and there is nothing to suggest that the process is objective. Consequently, MCA's position has evolved over the years since 2010 when MCCM was codified. The industry initially accepted the interview process as it was viewed as being used in GC/CM projects and many in the industry were willing to give it a try. Today, the process has evolved where there is no transparency and nothing has suggested the process has been objective. MCA has moved to the point of objecting to the interviews, as interviews are not included in RCW 39.10.385.

Mr. Kommers chaired a committee established by the Board to develop best practices for M/E CM. The committee developed a series of principles that were adopted and published by the Board addressing the interview process and providing some structure to alleviate some of the industry's concerns. The principles serve as a starting point when MCA members attend a public hearing. The principles are introduced as a structure to follow for interviews as adopted by the CPARB. Not much success has been achieved at least in consistency of having the principles incorporated within the selection process. MCA is now objecting to interviews unless there is some evidence of substantial changes and a better structure. MCA believes more structure is necessary and until some change occurs, MCA believes the use of RCW 39.10.385 should not be used.

During a recent MCCM selection, MCA submitted a public records request to a school district seeking records regarding the selection. MCA received a batch of documents but no notes, no meeting minutes, or other documents concerning the selection of the MCCM were included. He was surprised because the documents provided a list of 15-18 interview questions that were to be asked of all finalists. However, there were no notes. The school district confirmed that no notes existed from the process. No documentation was available that would enable the public to ascertain if the process was objective and how the scores were assigned.

In many cases, interviews are being used solely to eliminate firms. One example is the move towards multiple short lists. Often, submittals in response to RFQs are scored and five of seven firms are shortlisted to the interview. Following the interview, only two or three firms are invited to submit a final proposal. That process places too much emphasis on the interview, which is not included in the statute. While it is recognized the interview is an important component based on feedback from GC/CMs and public bodies, it should not be used as the only way to eliminate certain firms, especially when transparency is not evident. The process does not provide information as to how conclusions were determined.

Mr. Middleton added that MCA is looking forward to participating in the sunset review process. MCA believes it is important at this time to point out some serious concerns about the MCCM process based on experience in participating in public hearings, and Mr. Kommers' experience and discussions with GC/CMs and public bodies as a member of the M/E CCM Committee. MCA has reached a point where it believes some changes are warranted and no longer believes whether it is possible to support the procurement method under RCW 39.10 moving forward. Mr. Middleton offered to address any questions from the Board.

Ms. van der Lugt thanked Mr. Middleton for attending and providing feedback. She inquired as to what explanation was offered in response to complaints about the lack of transparency. Mr. Middleton advised that often there has been no explanation and it is unknown whether it relates to the newness of the procurement method or whether an educational component such as more outreach and education as to how the process works is warranted. In some cases, owners and GC/CMs are aware limited remedies are available. In an egregious case, the remedy under a statute for lack of transparency or not following the statute is seeking an injunction, which is time consuming. Based on a cost-benefit analysis, an injunction also might not make sense. Based on those extremes, it might be that owners and GC/CMs are of the opinion that they do not owe mechanical contractors a response.

Ms. van der Lugt asked about the work of the CPARB subcommittee that was referenced in the letter. Mr. Middleton replied that the committee was the ECCM\MCCM Best Practices Committee chaired by Mr. Kommers. The committee was unable to reach consensus on a recommendation other than recommending a series of principles. One of the principles pertained to the interview process. If interviews are going to be used in the M/E CCM selection process, the request for proposal (or subsequent documents provided to the finalists) should at a minimum, contain the following information:

- a) Names and/or roles of all interview panelists
- b) List of topics to be asked of the proposer (other questions may be asked)
- c) How the interviews will be prioritized and scored

Mr. Kuruvilla asked whether the problem is occurring with larger public agencies or across all agencies. Mr. Middleton replied that the use of the procurement method is broad. Most struggles have occurred with school districts. He and Mr. Kommers met with the Seattle School District several months ago and had a conversation with Richard Best, Capital Projects Director and his team about some of the issues experienced by the industry. School districts appear to be an area where most of the concerns have been generated. It could entail the need for an educational component.

Mr. Maruska asked whether MCA believes using the MCCM procurement is an effective tool for projects because in some cases, public owners believe there is high value added to the process by involving mechanical and electrical contractors earlier in the process. It also provides some flexibility in terms of how the work is performed. He asked whether MCA is questioning the value of having the M/E CCM on specific projects or whether it relates more to the procurement process that are causing the concerns. Mr. Middleton responded that the concerns reside with the procurement side and statutory procedures not being followed by not focusing on qualifications, which the industry believed would be followed when the statute was adopted in 2010. MCA believes there is value in the process as long as it is followed correctly. The importance of timing by including mechanical and electrical contractors early in the process speaks to some circumstances occurring in the industry where M/E CCMs are not included until after design and development. He acknowledged that there could be some exceptions, but it speaks to another example as to the benefit of the MCCM procurement method if mechanical and electrical contractors are not involved early.

Mr. McCormick said he is glad to hear that concerns surround qualifications as the goal is attracting highly qualified contractors to become part of the team because it brings value to the owner, as well as to the contractors. He would prefer not "throwing out the baby with the bath water" because of some bad actors. His perception is that most of the concerns surround owners/GC/CMs not following the guidelines adopted by the Board. He asked Mr. Middleton about the extent of any statute changes that might be necessary or whether it relates to doing a better job of creating best practices and ensuring owners are following those practices. Mr. Middleton said the questions would likely result in good debates during the sunset review as MCA is anxious to learn about different perspectives surrounding the current climate. Several years ago, the Board published the principles. MCA representatives attend public hearings and are appreciative of GC/CMs and public bodies that reach out to MCA early in the process. The principles are shared with those public bodies and GC/CMs. Information is shared on the principles adopted by the Board that is responsible for overseeing the MCCM statute. Some traction has occurred in some areas, but not in other areas, such as in the interviews. Cumulative scoring has generated some traction where the three different components are added, rather than clearing the slate after the written qualifications, which puts too much emphasis on the final proposal and interview. There has been some varying success, but not enough. During sunset review, there could be an educational component for inexperienced public owners. However, MCA plans to pursue some statutory changes.

Mr. Shinn shared information on his involvement in a procurement that involved a selection committee with a member who was tied to the one of the contractors bidding on the project. The records were obtained and reflected that the contractor received a perfect score as the individual on the selection committee contributed to the contractor's score. Transparency is a necessity.

Chair Schacht asked whether one of the contributing factors could point to the lack of the M/E CCM procurement not reviewed by the PRC as required for Design-Build and GC/CM projects. During those reviews, PRC has an opportunity to ensure the public agency is prepared to undertake the procurement, as well as referring the public agency to the best practices guidelines. A PRC mechanism might be possible to review M/E CCM procurements. He also perceives the general contractor assuming the lead for many M/E CCM procurements. It speaks to how the selection process has moved from the public owner to the general contractor because both have different perceptions of the selection process for

subcontractors. Even though general contractors are overseeing M/E CCM procurement as regulated by the statute, the general contracting industry world is much different than a public owner, which is subject to more public scrutiny and criticism. He asked Mr. Middleton whether any of those observations have any merit. Mr. Middleton replied that both observations are good; however, he did not consider a PRC review and would have to contemplate whether that would be an avenue to pursue, which could be reviewed during the sunset review. Although each procurement is different, many general contractors have assumed the lead for M/E CCM procurements with no oversight by the public body. A number of cases involved the public body not aware of M/E CCM procurement was in process. There are a number of provisions in RCW 39.10.385 requiring the public body to participate in the procurement. Although he agrees the GC/CM would have more experience in procuring subcontractors, the public body must also be involved because it is a public procurement.

Mr. Thompson said that although involvement by the public body was not included in the guiding principles, the committee did discuss the need for public bodies to stay in engaged, particularly during the M/E CCM process. The contention that statutory requirements are not being followed speaks directly to the Board and whether the Board is a compliance group. It is occurring and the Board often hears about incidents. He questioned whether the Board has a responsibility especially after adopting some best practices. Chair Schacht suggested the issue should be addressed as part of reauthorization efforts.

Chair Schacht thanked Mr. Middleton for the report and acknowledged his participation in both the Reauthorization Committee and the GC/CM Committee, which would provide opportunities to discuss the issue.

LEGISLATION

CPARB RCW 39.10 – SHB 1295 - Discussion

Chair Schacht reported the adoption of SHB 1295 was a learning experience/eye opener for those members responsible for engaging in the legislative process. Although he has been involved for some time with advocacy on behalf of architects, this was the first time he was involved in the mix of running a bill. Lessons learned for him personally include the famous phrase of “it takes a village,” which was never more applicable than what occurred with the bill. He and Vice Chair Keith were able to encourage Board members to outreach at certain points. The effort generated support from Board members, stakeholders, and the Minority Business Advisory Council. Frank Lemos worked very hard on behalf of the Board. That group effort was critical for passage of the bill. He acknowledged and thanked Ann Larson, Government Relations Director for DES. Ms. Larson spent hours tracking the bill, meeting with individuals, and was always ahead of the curve by pushing and pulling. He acknowledged Bill Frare because Ms. Larson is not assigned to support CPARB. Mr. Frare convened early conversations on the bill and offered Ms. Larson’s resources to the effort. Additionally, he and Vice Chair Keith relied on the two Past Chairs (Bill Frare & Robert Maruska). They provided substantial counsel throughout the process.

During the legislative process, many Design-Build stakeholders contacted him and others with concerns about the proposed legislation even after the Board had approved moving forward with a bill. The minority business community was concerned about whether the Board was strengthening the language about past performance for utilization. After a special meeting and debate, there was agreement to include language to meet those goals, which was imbedded in the bill. Consequently, the minority business community supported and contributed to a positive outcome. The CPARB team then learned that representatives from The Gordian Group testifying in support of the bill were recommending additional language. Chair Schacht began receiving emails from legislators about whether the language should be included in the bill. At that point, because it appeared to legislators that efforts were no longer collaborative and did not resemble a team effort, Chair Schacht reached out to representatives from the Gordian Group who admitted that they did not understand the function of the Board. The Gordian Group understood the intent of the proposed legislation but waited until the bill proceeded to the legislative committee structure before trying to impact the bill. Efforts then began moving sideways as a result. However, at the end of the day and because of multiple emails, meetings, and presentations, CPARB’s reputation with the Legislature remained intact. Legislators were advised of the need for CPARB to work with both stakeholders and the company. At the end of the day, legislators put faith in the Board, which demonstrates how the Board conducts business. The Gordian Group was asked to appoint an official to serve as a committee member on the PRC.

Vice Chair Keith added that not only did it speak to the Board’s reputation with legislators, two Senators shared with her that the Board’s commitment to work with Gordian moving forward helped make their job easier. The Board’s reputation

with stakeholders is just as important because part of the issue was not having sufficient time to vet the proposal; but also committing as a Board to vet the proposal properly with stakeholders.

PRC CANDIDATE REVIEW – Discussion/Action
General Contractor – 2 Positions

Chair Schacht invited candidates to speak to their respective application.

John Cross, Director of Project Management, Korsmo Contractors, thanked the Board for considering his application. He is concerned about the sunset of RCW 39.10 and believes the statute has an opportunity to shape the state's economic future. He supports the flexibility inherent within the statute as it allows many benefits for his company and other stakeholders through the entire process. His company is finding that most projects are closing too late and although alternative delivery provides benefits, there is room for improvement. Alternative delivery projects provide reduced project risk and substantially less legal disputes for both GC/CM and Design-Build. The company has doubled Governor Inslee's goals to include disadvantaged and small businesses. He would represent South Sound general contractors, assist with data collection, and ensure his company would not conduct business as it has in the past.

Bill Dobyns, Vice President of Business Development, Lydig Construction Inc. (telecon) said he previously served on the PRC. The committee provides a great service to the construction industry. In his role at Lydig Construction, he has been involved in alternative public works projects since its inception. He has hands-on experience in GC/CM, Design-Build, and Progressive Design-Build, and has been an advocate of RCW 39.10 since its passage. He enjoys meeting with various owners and public agencies and helping them understand the benefits and the guidelines and rules of the road for pursuing a project under alternative delivery. He is very passionate about that. He believes it is the best way for many public projects, it makes a better project for everyone concerned, and it is good for the industry. He is anxious to join the committee and continue the service of helping the construction industry improve, learn, grow, and deliver better projects to clients and taxpayers. He thanked the Board for the time to consider his application.

Dave Johnson, Vice President, Hoffman Construction Company, expressed appreciation for the opportunity to speak to the Board. He has been involved in the delivery of alternative delivery projects for the last 20 years. As Vice President of Hoffman Construction, he specializes in public projects. He had the opportunity to work with a number of public agencies, such as King County, Sound Transit, City of Seattle, and University of Washington on all types of project delivery from Design-Build, Heavy Civil GC/CM, GC/CM, and Progressive Design-Build. He has had an opportunity to experience how things work well, as well as when the delivery method might not have been the best application for a particular project. His passion is contracting collaboration and he prefers the architect, engineer, owner, and the GC/CM working together to deliver a project successfully. CPARB has provided many different ways to pursue that course and he would like to share the lessons he has learned over time to ensure projects can be delivered successfully. It is important to have positive outcomes for all public bodies.

Mark Ottele, Project Manager, Granite Construction Company, reported he has worked for the company for the last 19 years. He has been a member of PRC for the last three years and has enjoyed his time on the committee. His contribution to the PRC was as the only heavy civil contractor on the committee, which has helped balance the committee. Secondly, although he is not a vice president or an executive at Granite Construction Company, he is a senior project manager and is on the teams for alternative procurement. He has firsthand knowledge through his work on estimating, developing proposals, and negotiating with owners, which brings a unique perspective to the committee. He is a huge proponent of RCW 39.10 and first experienced alternative delivery while working for the Port of Seattle and attending school in the late 1990s at the University of Washington. He was exposed to the alternative delivery models and witnessed the collaboration and elimination of communication barriers between the parties. He has been involved in a significant number of GC/CM and Design-Build projects over the last 10 years. He would like to continue his enthusiasm and dedication for another three years.

Chair Schacht reported two of the applicants have not served and two applicants are reapplying. He asked Mr. Dobyns about his length of service on the committee. Mr. Dobyns advised that he served one term and intended to reapply. However, because of miscommunication, he missed the deadline. This is the first opportunity to reapply. Mr. Ottele noted that he has served one term and is applying for a second term.

The Board discussed methods of voting with several members supporting a paper ballot as opposed to voice votes. After a review of the bylaws and further discussion, the Board agreed that since voting by secret ballot is prohibited by the bylaws, members should offer nominations. Mr. Thompson advised that he would abstain from voting as he works with Mr. Ottele.

Chair Schacht invited nominations for General Contractor position #1.

Mr. Thompson nominated Mark Ottele. Vice Chair Keith seconded the nomination.

Mr. Shinn nominated Dave Johnson. Mr. McCormick seconded the nomination.

Mr. Hernandez nominated John Cross.

The Board supported a recommendation to consider all General Contractor applicants for the two vacant positions with members casting a voice vote of their top two choices.

Chair Schacht nominated Bill Dobyms.

A roll call vote of members voted in support of appointing Mark Ottele (7 votes) and Dave Johnson (7 votes) to the two vacant PRC positions of General Contractor. Andrew Thompson abstained. Charles Horn was not available to cast a vote. Walter Schacht abstained.

Chair Schacht thanked the applicants for taking the time to apply. He invited Bill Dobyms and Dave Cross to consider serving on the GC/CM Committee. Mr. Dobyms confirmed his interest in serving on the committee.

Owner - Ports – 1 Position

The Board considered the candidate applying for the PRC Ports position.

Mr. Maruska reported Washington Public Ports recommends the nomination of Kyle Dilbert to serve on the PRC in the Ports position.

Ms. Zahn said Mr. Dilbert joined the Port of Seattle nine months ago from the Colorado Department of Transportation. He has extensive experience in procurement for GC/CM and Design-Build and has been an invaluable team member for the Port of Seattle. He is familiar with RCW 39.10 and has been working on some of the Port's procurements. Mr. Dilbert is participating in two procurements for GC/CM and has provided some feedback and proposed changes that benefit the Port, as well as working on two procurements for Design-Build projects. She recommended his appointment.

Mr. Maruska nominated Kyle Dilbert.

By a vote of affirmation, members appointed Kyle Dilbert to fill the Owner - Ports position on the PRC.

Owner – Counties – 1 Position

Chair Schacht reported that no candidate applied for the vacant position. Vice Chair Keith contacted Ms. Wall who represents Counties on the Board. Howard Hillinger submitted a letter supporting the candidacy of a city employee who is interested in serving on the PRC. The statute does not define PRC positions by category other than for the Board. Provisions in the statute speak to how the PRC should reflect the Board. Currently, the PRC has vacant positions for Counties and Public Hospitals. The PRC continues to experience issues with attaining a quorum to consider project applications, certifications, and recertifications. The PRC is obligated to process applications timely. The application has been forwarded for the Board's consideration. The applicant represents a public owner. Filling a public owner position with a public owner would enable the constituency of the PRC to reflect the balance of public and private owners.

Walter Schacht moved, seconded by Mike Shinn, to enable a public owner (Jessica Murphy) to fill the position designated as the Counties position on the PRC.

Ms. Zahn spoke to the motion. With respect to filling the vacancy, if the Counties have a recommended individual within a county that would be her preference. However, it is also important to ensure the committee has as many interested members that are experienced and engaged and able to attend and participate. Having all owner positions filled is important. In the past, some members recused from voting because of potential conflicts of interest. Sometimes, recusals have created some quorum issues.

Ms. Wall said she assumes some of the responsibility, as she was not aware the position was vacant for some period. She is scheduled for maternity leave any day and is supportive of the City nominee moving forward in the interest of time and the recognition that the position has been vacant for some time.

Ms. Zahn added that the City position on the PRC is filled by Kyle Twohig with the City of Spokane. The nominee represents a western Washington city and it would provide an owner's perspective from western Washington.

Chair Schacht offered friendly amendment to the motion that the city representative who has presented an application for membership on the PRC would fill the position until the current City's position becomes vacant and then it would revert to the Owner-Counties position.

Mr. Maruska said he believes that a similar situation occurred for an Engineer position when a city representative applied for the position. All the positions were retained regardless of the individual filling the position. The issue is whether the candidate is acceptable to represent the interests of the specific position. He suggested the candidate would represent the counties interest on the PRC and none of the positions should change.

Chair Schacht withdrew his friendly amendment.

Mr. Kuruvilla said he reached out to several county commissions and was not successful in attracting a candidate. He works with Jessica Murphy and she is an extremely strong candidate. The PRC needs individuals such as Ms. Murphy and he would strongly recommend the nomination of Jessica Murphy for the Counties position.

Motion carried unanimously.

Ms. Murphy thanked the Board for considering her appointment.

Specialty Contractors – 1 Position

Chair Schacht invited Mike Shinn to speak to his application.

Mike Shinn said he is very passionate about serving on the PRC. He is the longest serving member on the PRC having served for 12 years. The PRC has no statute of limitations for terms of service. He believes he provides good representation for subcontractors. He has expanded his company over the last 25 years and approximately 60% of the company's work is public projects. The company bids on Design-Build, GC/CM, MCCM, or Heavy Civil GC/CM projects. He asked for the Board's support and vote.

Chair Schacht referred to the application from Jeff White, another qualified candidate. In addition to Mr. Shinn's experience and expertise, it is advantageous for the Board to have a member also serving on the PRC to maintain a connection. Mr. Shinn is the only member of the Board serving on the PRC, which provides value to the Board.

Vice Chair Keith nominated Mike Shinn.

Chair Schacht nominated Jeff White.

By voice vote affirmation, the Board unanimously appointed Mike Shinn to fill the Specialty Contractor position on the PRC.

ADMINISTRATIVE

Bylaws Revisions – Discussion/Action

Chair Schacht invited Ms. Deakins to update the Board on the proposed revision to the bylaws.

Ms. Deakins said the main reason for the request is based on information from DES Accounting stipulating that the legislative changes for Board travel reimbursement must be reflected in the bylaws. Any amendments to the bylaws require an affirmative vote of 12 members.

Ann Larson updated the Board on the status of ESSB 5418. The legislation is subject to an appropriation that did not occur. DES has requested a veto as the bill has not been signed by the Governor. Depending on action, a veto on that section of the bill requiring the CPARB to complete additional work might occur. She has contacted the Office of Financial Management (OFM) and legislative staff alerting them about the issue surrounding the lack of the appropriation. All parties are aware of the issue. At this time, it is unknown whether a veto is necessary as it is subject to appropriation. However, DES plans to request a veto. She spoke with a legislative staff about the possibility of a work session to bring CPARB, DES, and other individuals together to discuss raising the limits for small public works.

Chair Schacht suggested scheduling a review of ESSB 5418 during the September meeting to provide more context on the issues.

Ms. Deakins outlined the proposed revisions to the bylaws affecting Board travel reimbursement.

Walter Schacht moved, seconded by Mark Riker, to adopt the proposed amendments to the bylaws. Motion carried unanimously (12-0).

Budget Report - Information

Janet Jansen referred members to a copy of the budget report. The proposed budget for the new biennium is the same as the last biennium.

Draft Agenda for 9/12/19 Meeting - Information

Chair Schacht and members offered input on the following September meeting agenda topics:

- Budget Report & Discuss ESSB 5418
- Welcome New/Continuing Board members
- Project Review Committee Report
- Design-Build Statute Committee Report
- GC/CM Committee Report
- Education/Outreach Committee Report
- Board Development Committee Report
- Reauthorization Committee Report
- Business Equity/Diverse Business Inclusion Committee Report
- Critical Care Roster Report Update
- Disparity Study Update/Status of 1-1000
- Data Collection Implementation Committee Report
- JOC Evaluation Committee Report
- PRC Position Appointments – if necessary

Vice Chair Keith thanked Mr. Maruska for his example and for his many years of service.

ADJOURNMENT - Action

Robert Maruska moved, seconded by Andrew Thompson, to adjourn the meeting at 1:01 p.m. Motion carried unanimously.

STAFF & GUESTS

Marla Coles, King County

John Cross, Korsmo Construction

Nick Datz, Sound Transit

Nancy Deakins, Department of Enterprise Services

Bill Dobyms, Lydig Construction Inc. (Telecon)

Valerie Gow, Puget Sound Meeting Services

Taw-Tee Han, Sound Transit

Chris Herman, Washington Ports Association

Dave Johnson, Hoffman Construction Company

Aleanna Kondelis, University of Washington

Don Luford, CMAA

Scott Middleton, MCAWW

Jessica Murphy, City of Seattle

Mark Ottele, Granite Construction

Jerry Vanderwood, AGC

Melissa Van Gorkom, WA State Legislature - SCS

Janice Zahn, Port of Seattle/PRC

Prepared by Puget Sound Meeting Services, psmsoly@earthlink.net