

1 **Capital Projects Advisory Review Board**

2 **Business Equity/Diverse Business Inclusion Committee**

3 Meeting Summary August 4, 2020

4 **1. Committee Co-chair Walter Schacht called the meeting to order at 11:03 a.m. A quorum**  
5 **was established.**

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7 **2. Welcome and introductions.** CPARB Co-chair Walter Schacht welcomed the attendees.

8 Committee members in attendance unless otherwise noted:

- 9 • Walter Schacht, Schacht Aslani Architects CPARB
- 10 • Sarah Erdmann attending for Lisa Van der Lugt, OMWBE CPARB
- 11 • Nancy Deakins attending for Bill Frare, DES CPARB
- 12 • (absent) Irene Reyes, The Glove Lady CPARB
- 13 • Janice Zahn, Port of Seattle CPARB
- 14 • Olivia Yang, Washington State University
- 15 • Cheryl Stewart, AGC Eastern Washington
- 16 • (absent) Chip Tull, Hoffman Construction
- 17 • Aleanna Kondelis. University of Washington
- 18 • Brenda Nnambi, Sound Transit

19 Other attendees include:

- 20 • Rebecca Keith, City of Seattle CPARB
- 21 • B. Piilani Benz, Alliance West Insurance CPARB
- 22 • Jerry VanderWood, AGC
- 23 • John Salinas, Salinas Concrete CPARB
- 24 • Jon Rose, Municipal Research and Services Center
- 25 • Robynne Thaxton, Thaxton Parkinson PLLC CPARB
- 26 • Trevor Braun, BNBuilders
- 27 • Dan Seydel, Platinum Business Group
- 28 • Judy (missed last name)
- 29 • Melissa (missed last name)

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31 **3. Review and approve agenda.** Co-chair Schacht briefly reviewed the agenda for today noting  
32 that our primary task today is to review the recommendations that the CPARB Small Business  
33 Task Force reported on in 2011. Dan Seydel, who chaired that committee in 2011, will join us  
34 today and walk through each of the recommendations and we will discuss next steps as a group.  
35 a. Approval of today's agenda–M/S/P to approve meeting agenda.

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37 **4. Reauthorization update.** Robynne Thaxton shared the purpose of this group is to review 39.10  
38 deals with four main provisions including (1) CPARB and PRC duties, (2) Design-Build, (3)  
39 GCCM, and (4) Job Order Contracting. Though reviewed, these provisions have not been  
40 substantially modified. We amended the duties and functions of CPARB and PRC and will  
41 propose a few revisions to what constitutes a design-build project. The GCCM committee made a  
42 few significant changes to the GCCM provisions of the statute, and some additional minor  
43 changes to the Job Order Contracting provisions of the statute. We have a few issues left to  
44 review with the Reauthorization Committee having to do with definitions and a program that WSU  
45 would like to move forward to support small businesses getting involved in design-build. Our next  
46 meeting is on Aug. 10, and we hope to have a committee-approved statute to move forward to  
47 CPARB, then to Joint Legislative Audit Review Committee (JLARC).

- 48 a. Aleanna Kondelis added that one key point of the reauthorization is to align the language  
49 between GCCM, Design-Build, and Job Order Contracting so we have consistency.  
50 b. Rebecca Keith noted that this alignment of language has occurred and anyone on this  
51 committee is welcome to review those changes to confirm their consistency across  
52 provisions.  
53 c. Co-chair Schacht shared the goals of the Business Equity/Diverse Business Inclusion  
54 Committee as follows and noted that our primary focus right now is on item number 3.  
55 1. Comprehensive review of RCW 39.10 with the lens of equity (include RCW  
56 39.04 and 39.80)  
57 2. Create consistency in statutory language  
58 3. Evaluate and bring forth effective strategies and opportunities for firms to  
59 compete  
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- 61 **5. 2011 Small Business Task Force Report.** Co-chair Schacht shared his screen to show the  
62 attendees the CPARB Small Business Task Force Report document dated February 2011.  
63 Together the team reviewed the recommendations from the 2011 Small Business Task Force to  
64 increase small business and diverse business. The chair noted that this document includes a  
65 great deal of overarching information that will inform this committee's discussions. Co-chair  
66 Schacht added a column to the document to annotate actions that have already been  
67 implemented. Today we will review each of the recommendations, discuss actions that have  
68 already been implemented, and determine if the remaining recommendations make sense for this  
69 committee to address. Dan Seydel has joined us as one of the original authors of this list of  
70 recommendations to help clarify the purpose and intent of each recommendation.  
71 a. Dan Seydel—Many of these recommendations have been implemented over time, and  
72 many of the folks on this call have been involved in the implementation. The updated  
73 document includes additional changes to the language that was revised between 2011  
74 and 2013. Dan reviewed and commented on each of the recommendations.  
75 b. CPARB has done an excellent job promoting and encouraging small business  
76 participation on the committee.  
77 c. *Require agencies to produce a set of boiler plate capital project specifications*  
78 We'll see an agency prefer a certain type of flooring that isn't provided by any small  
79 business which makes it difficult for small businesses to pursue projects.  
80 i. Co-chair Schacht—There are things we can do in statute, things we can't do in  
81 statute, and things we can do in best practices. We've seen an increase in  
82 agencies committed to open bidding requirements, so this is a great opportunity  
83 to use best practices to encourage good behavior.  
84 ii. Rebecca Keith—The Design-Build committee created a best practice document  
85 that helps encourage good practices that follow the intent of the statute. This is a  
86 great opportunity to include best practices for this committee, too, especially  
87 since the GCCM committee is now working on their best practices.  
88 iii. Janice Zahn—We can take a look at the Design-Build best practices and the  
89 classes that are using and teaching these best practices to make sure we're  
90 aligned. They include a chapter that addresses inclusion.  
91 iv. Dan Seydel—The Port has used their services contracts for non-construction  
92 services which has provided an opportunity for large and small businesses to  
93 participate in procurement.  
94 v. Dan Seydel—It's important to note that the language and references in this 2011  
95 document are outdated and should be updated. For example, on number 4 we  
96 used "small" because it was more inclusive at the time.  
97 vi. Co-chair Schacht—39.10.330(1)(d)(i) and (ii) the language for past performance  
98 was changed from "may" to "shall include" and includes small, minority, and  
99 certified businesses. We can't dictate how evaluation factors are weighted, but  
100 we can encourage public bodies to increase participation of diverse businesses.

- 101 d. *Expand CPARB endorsed training programs to include small businesses*  
 102 We provide free classes on YouTube and there are opportunities to share this information  
 103 more readily. The Port of Seattle has developed monthly classes which is a great  
 104 platform but unless you already know about these classes, then we have some work to  
 105 do to reach those that aren't already involved.
- 106 i. Sarah Erdmann—Some of this work is captured by the Governor's small business  
 107 cabinet. We are currently implementing several training programs led by  
 108 OWMBE about inclusions plans including requirements on, and developing,  
 109 scoring, and implementing.
- 110 e. *Increase awareness of OMWBE and DES policies and procedures for small works roster*  
 111 This recommendation focused on general awareness and the strategy was to engage  
 112 more minority firms in prime contracting roles with agencies. We want to continue to  
 113 inform agencies and vendors that these opportunities exist. Specific ideas to address  
 114 education include discussing these policies and procedures in a peer-to-peer  
 115 environment so we can better understand an agency's intent rather than simply reviewing  
 116 and attempting to interpret the policies on your own.
- 117 i. Rebecca Keith—Sound Transit is looking at creating a venue for small businesses  
 118 to come in and ask questions and get help filling out paperwork.
- 119 **Procedures and Internal Policy**
- 120 f. *Agencies should establish goals for small business participation and report annually*  
 121 OWMBE has been gathering this information for public agencies. If there are agencies  
 122 who are not reporting, then we should work with OWMBE to identify those agencies and  
 123 work with them on reporting. This is also a best practice and many agencies have already  
 124 done a great job complying.
- 125 i. Sarah Erdmann—OMWBE has the authority to set OWMBE goals for inclusion  
 126 plans. Currently we report out on the agencies' spending on OWMBE time, but  
 127 we do not include subcontractors. In July we received money to modernize our  
 128 system so that we can more fully report OWMBE goals. We're looking at  
 129 developing the methodology on goal setting so it's good timing to confirm what  
 130 happens to their OWMBE goals when an agency falls short (does their goal  
 131 increase for the next year or decrease?).
- 132 g. *"Lower performing agencies" should develop remediation programs which include but are*  
 133 *not limited to an oversight or advisory committee*  
 134 OWMBE's purview is limited to state agencies and public institutions. OWMBE also has  
 135 ties to cities and counties to provide oversight on their small business participation goals.
- 136 i. Rebecca Keith—I'm more interested in hearing about the upstream problems and  
 137 understanding why agencies may have trouble reaching goals and then focusing  
 138 on fixing those problems increase of developing remediation programs.
- 139 ii. Dan Seydel—We've looked at this a lot of different ways. We're focused on  
 140 solutions and some felt that remediation programs were what would be most  
 141 helpful.
- 142 h. *Contractors, service providers and material suppliers should provide agencies with job*  
 143 *creation, retention reporting on all capital projects, report to the public at the completion*  
 144 *of a project and annually as part of an agency annual report*  
 145 The intent was to document the economic development that has been provided by these  
 146 public projects. At the creation of this recommendation we were discussing how billions of  
 147 dollars were going through the community, but few dollars were captured in minority  
 148 communities, so this helps us understand where the dollars are going.
- 149 i. Rebecca Keith—This recommendation is asking for a very specific, in-depth job  
 150 creation analysis and this isn't something that is easily produced in the context of  
 151 legislative mandates because it would be an unfunded mandate.
- 152 ii. Aleanna Kondelis—We're already tracking much of this information regarding  
 153 apprentice programs, prevailing wage tracking, etc. We're all tracking different

- 154 angles of the same sort of picture. There is an opportunity to compile and share  
 155 this information, so we have a bigger, shared picture of reporting on capital  
 156 projects.
- 157 iii. Co-chair Schacht—We are a volunteer board and the beauty of this dialogue  
 158 today is we follow Open Public Meetings Act requirements which means a high  
 159 level of transparency and a high level of access to what we do at CPARB. If we  
 160 evolve to be an agency that receives funding to do this ask, then we won't be the  
 161 same organization. This recommendation needs to be assigned to a funded  
 162 agency that has the time and necessary resources needed to do it well. Diverse  
 163 business inclusion is intended to create opportunities for minority businesses to  
 164 become prime contractors, not just subcontractors. Public projects have very  
 165 intensive reporting requirements that may restrict minority businesses from  
 166 pursuing these projects at prime contractors.
  - 167 iv. Dan Seydel—To Aleanna's point, much of the data we're talking about is already  
 168 required reporting on public projects (for example certified payroll). The idea here  
 169 is figuring out how to create a dashboard of shared information. And yes, it will  
 170 be time consuming and require dedicated resources, so it should be completed  
 171 by a funded agency but I think CPARB has a role early in the process to weigh in  
 172 on how this is done and to make sure it's done well.
  - 173 i. Co-chair Schacht noted the time and added that the right column on the handout shown  
 174 on the screen is intended to identify the agency or group that can lead the charge needed  
 175 for each recommendation. CPARB doesn't have authority to change many of these  
 176 recommendations, so let's focus on those recommendations that CPARB can make a  
 177 difference.
- 178 **Legislative**
- 179 j. *Small works under \$5,000: authorize agencies to waive bonding to increase opportunities*  
 180 *for small contractors, reduce reporting costs for small contracts. Agencies would assume*  
 181 *the legal responsibilities covered by a bond.*  
 182 The small contracts committee is addressing this item.
  - 183 k. *Job order contracting – increase the dollar size of individual work orders, increase*  
 184 *number of agencies utilizing and increase contract maximums.*  
 185 These recommendations were implemented as part of SHB 1295. JOC best practices will  
 186 address bonding.
  - 187 l. *Adopt a multi-agency central application to minimize time and expense incurred by small*  
 188 *businesses and provide agencies the ability to use a shared list thus expanding small*  
 189 *business access to multiple agencies and agency access to an increased number of*  
 190 *small businesses.*
    - 191 i. Brenda Nnambi—What is OMWBE doing with the recommendations from the  
 192 Disparity Study?
    - 193 ii. Sarah Erdmann—It's a statewide effort, some agencies like DES will need to  
 194 develop policy and OMWBE is working on launching a road map of the  
 195 recommendations to show next steps, timeline, process, phases. Partner  
 196 agencies include L&I, DES, WSDOT, Dept of Corrections, and DSHS. Sarah  
 197 offered to share an update on this roadmap in fall 2020 to CPARB.
  - 198 m. Co-chair Schacht—It's hard for me to understand the role 39.10 plays in this issue.  
 199 CPARB is not intended to oversee this type of program since we don't have the  
 200 resources, the data collection capacity. It doesn't apply solely to alternative public works;  
 201 it applies to all public works. Co-chair Schacht offered that we use the rest of the meeting  
 202 time to discuss the recommendations that CPARB can help with and table the WSU  
 203 Small Business Initiative to next meeting. The team circled back on to the sections (5)(h)  
 204 above.  
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206 **6. WSU Small Business/Design-Build Initiative.** This topic has been tabled until the next meeting.

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**7. Confirm date and set agenda for next meeting.**

- a. Co-chair Schacht–We’ve completed review of the RCW 39.10 and we’ve created consistency in statutory language. Our next focus is to evaluate and bring forth effective strategies and opportunities for firms to compete. Then, we’ll file our report directly to the board. Our next meeting will be in September and Lauren will send out an invite shortly.

**8. Adjourn.** The committee M/S/A to adjourn the meeting at 12:42 p.m.