

1 **Capital Projects Advisory Review Board**

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

3 Meeting Summary April 1, 2021

4 **1. Committee co-chair Walter Schacht called the meeting to order at 9:02 a.m. A quorum was**
5 **established.**

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

8 Committee members in attendance unless otherwise noted:

- 9 • Walter Schacht, Mithun CPARB Co-chair
- 10 • Lisa van der Lugt, OMWBE CPARB Co-chair
- 11 • Bill Frare, DES CPARB
- 12 • 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 • Chip Tull, Hoffman Construction
- 17 • Aleanna Kondelis, University of Washington
- 18 • Brenda Nnambi, Sound Transit
- 19 • Santosh Kuruvilla, Exeltech Consulting

20 Other attendees include:

- 21 • Rebecca Keith, City of Seattle CPARB
- 22 • John Salinas, Salinas Construction CPARB
- 23 • Dan Seydel, Platinum Group
- 24 • Tammie Wilson, Department of Labor and Industries
- 25 • Maja Huff, Washington State University
- 26 • Monica Acevedo-Soto, University of Washington
- 27 • Cindy Magruder, University of Washington
- 28 • Nancy Deakins, DES
- 29 • Jolene Skinner, Department of Labor and Industries
- 30 • Melissa Van Gorkom, SCS

31
32 **3. Review and approve agenda.** Co-chair Schacht reviewed the agenda, today’s focus is on long
33 term goals and progress toward those goals over the next two meetings so we can share our
34 progress with the board.

- 35 a. Aleanna Kondelis notified the committee that this is her final meeting representing the
36 University of Washington and would like to transition into a role to represent the private
37 industry. Chair Schacht recommended reaching out to the board to ensure appropriate
38 changes are made.
- 39 b. Approval of today’s agenda – Motion (Aleanna), Second (Cheryl), passed to approve the
40 meeting agenda.

41
42 **4. Review and approve last meeting’s minutes.**

- 43 a. Approval of October 29, 2020 meeting with the following changes –
44 i. Co-chair Schacht represents Mithun.

- 45 ii. On page 7, line 295 to 297, include the following clarifying language: Owners
46 should include MWBE rationale in applying to PRC for use of alternative project
47 delivery method.
- 48 iii. Include Nancy Deakins as a participant.
- 49 iv. Dan Seydel represents Platinum Group.
- 50 v. On page 5, line 239 to 242, revise the following sentence to include what's in red:
51 The certification asks for five years of data to report on the projects **as well as**
52 **documenting** cost overruns or schedule delays.
- 53 vi. On page 6, line 301 to 303, revise the following sentence for clarification: Janice
54 Zahn noted there has been many years of discussion on data collection
55 reporting, **and CPARB's role**. We need to keep working on **explaining it in** parallel
56 with our efforts here.
- 57 b. Motion (Janice), Second (Irene), Passed to approve the October 29, 2020 meeting
58 minutes as corrected.
- 59
- 60 **5. Invitation to the public to participate.** Co-chair Schacht explained this committee meeting is
61 open to participation from non-committee members. If you wish to speak, use the chat function or
62 hand raise function.
- 63
- 64 **6. Reauthorization update.** Rebecca Keith thanked everyone for their participation. CPARB and
65 the Reauthorization Committee has acknowledged that inclusion of minority and women-owned
66 businesses, small businesses, and veteran-owned businesses were not adequately represented
67 in the Reauthorization Bill SB 5032. The bill passed the senate with no opposition where it was
68 moved to the House Capital Budget Committee. Representative Santos proposed amendments to
69 provide further provisions of inclusion. After reviewing it was clear that the revisions had
70 substantive provisions. I worked with Representative Tharinger to delay the bill from being voted
71 out of the committee to allow CPARB to hold a special meeting last Tuesday. CPARB authorized
72 me to provide a statement that highlights concern of the proposed language. The main change
73 was a deletion of the language, "subject to CPARB's capacity and funding we will collect
74 quantitative and qualitative data." It was identified by other board members that there was
75 potential of a fiscal impact. The biggest concern for unintended consequences was in the Design-
76 Build statute – they required an inclusion plan in the RFQ phase and moved it out of the RFP
77 phase. There may be unintended consequences for project agreements, school districts, and
78 other single users of the statute. Finally, there were concerns that the inclusion plans were
79 mandatory without signifying to the extent permitted by law, language the AG previously advised
80 to include. We're working with the Senate to make sure these changes are looked at.
- 81 a. Dan Seydel – I would encourage folks to consider language that allows the design builder
82 to continually modify and improve their inclusion plan as they move from the qualification
83 to the proposal phase. Part of the intent when we changed the selection process for
84 Design-Build and GCCM was that the prime firms would be selected based on inclusion
85 and past performance, which is sometimes overlooked.
- 86 i. Rebecca Keith confirmed that the statute still requires past performance in the
87 RFQ phase.
- 88 b. Co-chair van der Lugt – Where does the amendment state anything is mandatory?
- 89 i. Rebecca Keith shared her screen to show that the inclusion plan was moved to
90 the RFQ phase, making it mandatory and not limited to the extent permitted by
91 law. In the next phase, Evaluation Factors for Finalist Proposals, it says
92 evaluation factors may also include, but not be limited to, technical design
93 concept and outreach plan. They deleted inclusion plan from this section.

- 94 c. Aleanna Kondelis – It makes more sense that inclusion and strategies is part of the
95 proposal phase. We don't get the same outcome by moving it.
96 d. Rebecca Keith sent this document to the Committee Co-Chairs who will make it available
97 on the committee website.
98 e. Co-chair Schacht – I do think there is a lot of untested legal landscape. The public bodies
99 regulated by RCW 39.10 are not the same in terms of what they are limited or not limited
100 to, which is why the extent permitted by law language was added. The intent was to
101 encourage an environment of inclusion.
102 f. Rebecca Keith – Our suggestion was to leave the inclusion plan in the RFP phase and
103 voice concern over the legal implications.
104 g. Co-chair Schacht – I continue to believe Best Practices are the core tool to developing
105 inclusion in the process. Owners go about selection processes in different ways, asking
106 for different levels of qualifications in their teams. We won't make a breakthrough in the
107 statutory side, but we can make a breakthrough by providing clear goals and values as
108 detailed in the Best Practices.
109 h. Co-chair van der Lugt – There could be a striker and we aren't sure what the final product
110 will look like. I'm not sure we can put together a strategic workplan in time.
111 i. Rebecca Keith – I believe there will be minimal changes given the statement I provided to
112 the house.
113 j. Olivia Yang – I would like to think the Best Practices we come up with will also address
114 how firms stay profitable after they win the work. There are so many things that can help
115 the firms flourish that we haven't talked about. I'm hoping we can talk about how to help
116 small businesses once they are on the project.
117

118 **7. Identify top three issues for the committee.** Co-chair Schacht asked the committee members
119 to share their top three issues for the committee, allowing other attendees to contribute after if
120 there is time.

- 121 a. Co-chair Schacht's top three issues are all Best Practices – I think we were most
122 successful starting with the Best Practices and then finding opportunities to change the
123 statutes.
124 b. Co-chair van der Lugt – We need to work on the CPARB board. It's outside of this group
125 but it affects what we do here. Our board needs equity training. We also need to focus on
126 our board's membership.
127 c. Santosh Kuruvilla – I think we need to raise DEI awareness within the board. We need to
128 build it into our values instead of just assigning a committee. Another is education and
129 Best Practices to help smaller firms be more effective in alternative delivery space. We
130 can also get more into the horizontal space and include WSDOT and Sound Transit in
131 these conversations and bring them in as active participants in this committee.
132 d. Irene Reyes – Establishing the board's core values is important as it trickles down into all
133 our committees. Equity and inclusion should focus on training and Best Practices. We
134 also need to revisit the goals of this committee to make sure we are on track.
135 e. Janice Zahn – I think the diverse community is exhausted from the surveys and studies. It
136 isn't that our community hasn't been engaged and speaking loudly about the issues
137 they're seeing. Are we willing to engage in a way that is meaningful to work through the
138 barriers and get to the solutions and root causes? We need to have a value statement
139 that centers this work as the foundation. This subcommittee is supposed to be advisors to
140 the board. I'm not sure if this subcommittee is doing that. We tend to spin around in
141 circles not knowing if we can legally make changes. We need more people to understand
142 this is a benefit to our work and community and not something we just have to do.

- 143 f. Olivia Yang – I would like to see truly helpful Best Practices that address challenges of
144 small businesses. I agree we need to work on core values, and not just check the box
145 that we formed this committee. We have different issues in Eastern Washington getting
146 participation, and we need common values that address geographic differences.
- 147 g. Cheryl Stewart – I would agree on Best Practices for contractors and small business
148 because our challenges are different in Eastern Washington. Meeting the requirements
149 are setting these small businesses up to fail. This work also needs to be a movement
150 within the industry. However, we can make changes within the industry that will make a
151 bigger difference than what we do as a committee.
- 152 h. Chip Tull – We should develop a safe space within this committee to promote a healthy
153 dialogue. We also need to look at sustained opportunities that allow small firms to grow,
154 and create consistency in the way public bodies are certified.
- 155 i. Aleanna Kondelis – We should refocus on what our charge is for this committee, and
156 make sure we are effective in assisting CPARB achieve its mission. We need to revisit
157 items left on the table during the reauthorization and look at what passed and what was
158 left for further discussion to help inform our Best Practices. Finally, supporting new
159 representation, diverse businesses, and spreading the wealth by being a cheerleader for
160 BE/DBI.
- 161 j. Brenda Nnambi – This subcommittee can play a critical role in making sure that all the
162 work being done in the different subcommittees are looked at with equity lenses. I'm not
163 sure what our level of influence is on the other committees, but we need to share this
164 work through rich discussions. We also need to make sure we are inclusive enough in
165 sharing our work with all our stakeholders, inviting them to the table, and making sure
166 there is consistency. We need to do our part in addressing barriers to participation and
167 allow diverse perspectives to share their thoughts on how we incorporate that into the
168 Best Practices.
- 169 k. Irene Reyes – I would add that having core values and focus on DEI produce equitable
170 Best Practices, and that inclusion also includes community engagement and input. If we
171 establish our core values, that will lead into other great outcomes.
- 172 l. Dan Seydel from the chat – I would love having labor involved. We need stakeholders
173 with resources and organizations with power to "move the needle" (to steal from Janice).
174 The Best Practices is key, and those without internal resources can benefit from dozens
175 of external resources that can assist firms new to government contracting and MWDBE
176 inclusionary strategies. In line with Olivia, there needs to be a common language where
177 stakeholders are not offended while creative solutions are being developed. Many
178 cultures could misinterpret our exchanges and discussions, so we should have CPARB
179 member training that embraces differences and celebrate unique perspectives to develop
180 more comprehensive solutions.
- 181 m. Co-chair van der Lugt – On the CPARB board, I would add that I don't think we are fully
182 embracing equity yet. Discussions where someone speaks as an OMWBE or diverse
183 business when they aren't one shuts those discussions down. I agree with Chip and
184 others that we need a safe space in our board meetings where people can disagree.
- 185 n. Janice Zahn – Sometimes we think of Best Practices as what has been done for a long
186 time. In this work, it's not what we've done, it's moving beyond that to improve. Putting
187 equitable in front of Best Practices isn't going to do it. I would like to consider new
188 language, perhaps Community Practice as has been said.
- 189 o. Irene Reyes – Adding that word, equitable, is higher than equity.
- 190 p. Olivia Yang – I consider Best Practice as going above the run of the mill requirement.
191 Submitting an inclusion plan that you thought through checks the box but doing the

- 192 research and selecting the diverse firms based on X requirement is what I consider a
193 Best Practice.
- 194 q. Co-chair Schacht – I think it’s fair to say the whole process we went through to draft the
195 Design-Build Best Practices changed the landscape of Design-Build in Washington State.
196 The Best Practices were based on an open dialogue about what was and wasn’t working
197 in the procurement process, and to give opportunities to the parties pursuing the work to
198 show where they were and were not succeeding. Then we used what we learned along
199 the way. We talked about real outcomes and then responded to that. BE/DBI was a very
200 important issue. I don’t think Best Practices are writing down what we’ve done, I think it’s
201 an exploration of what we might be able to do in the future based on what is happening.
- 202 r. Santosh Kuruvilla – I think we are all saying the same thing. The issues are how we are
203 looking at the desired outcome. Instead of focusing on Best Practices, we need to focus
204 on desired outcomes. Instead of pushing a plan together, we should position ourselves at
205 the end, look at desired outcomes, and then pull the plan through.
- 206 s. Dan Seydel from the chat – What I’m hearing from Olivia is getting to the heart of the
207 matter – intent. Outreach Plan is typically the check-the-box, the Inclusion Plan describes
208 how a firm will execute and achieve objectives. Past performance is how we measure
209 real intent and results vs. commitments.
- 210 t. Irene Reyes – We would all like to see outcomes that improve BE/DBI. Some of us are
211 not community engaged, so how can you relate to the challenges of the community if you
212 are not community engaged.
- 213 u. Rebecca Keith – I’ve appreciated all the comments so far. We asked long ago if we
214 should create a subcommittee for BE/DBI, or if we should incorporate it into CPARB. I
215 think it’s both. We need to work on the board’s training, and I would like to follow up with
216 the Governor’s Boards and Commissions Office to provide support. CPARB doesn’t get
217 things done except through committees. We don’t have the resources in the few board
218 meetings we have. If we are going to get the work done of Section 20, we need a
219 committee that can do that work. I welcome revamping the committee.
- 220 v. Santosh Kuruvilla shared a push/pull graphic on his screen. I think Best Practices are
221 usually push oriented. We start at the beginning of the process and we plan what we are
222 going to do, then push the process. There’s also a pull way to think about it. If we look at
223 the BE/DBI objectives and then pull the process through, we keep the end in mind with
224 actionable and measurable goals.
- 225 w. Co-chair Schacht – I’m suggesting we used the pull methodology when developing the
226 Design-Build Best Practices.
- 227 x. Santosh Kuruvilla – I will also add that this committee needs to be the instigator of
228 change. I don’t think it’s taking on more than we can handle.
- 229 y. Janice Zahn – I agree with Walter that we used the pull methodology. At the same time,
230 the timing of that was before we had this focus on BE/DBI. Yes, we have an amazing
231 document that moved us in the Best Practices for Design-Build. At the same time, without
232 the focus on DEI, I don’t think we were pulling the same topics through.
- 233 z. Olivia Yang – I think Janice is correct. I think Walter is saying the Design-Build Best
234 Practices wasn’t about the old way of doing things and is more about sharing the
235 process. That committee did not get into the issues we are getting into now. It’s more
236 about the outcome. I wonder if we can get into what Section 20 is about in our next
237 meeting.
- 238 aa. Rebecca Keith from the chat – 100% agree Santosh and Walter and if this committee
239 wants to recommend a change to CPARB in the committee's charge, I would 100%
240 support bringing that forward to the board.

- 241 bb. Rebecca Keith – If SB 5032 passes, which I think it will, we must get Section 20 done in
242 one way or another or else we need to go back to CPARB.
- 243 cc. Co-chair Schacht – I agree with Olivia and think we need to spend less time on the big
244 picture and talk specifically about what Section 20 asks us to do. We need to start
245 mapping out what we can do and what resources we have.
- 246 dd. Olivia Yang – I would like to put a workplan together at our next meeting. For future
247 meetings, what if we assume we have the same core values with the assumption that if
248 we disagree it's to make the idea better and not because we are anti this or that.
- 249 ee. Co-chair van der Lugt – It's hard to do DEI work when the board still needs to learn about
250 DEI. I agree we need to think about our core values and give each other the space to
251 disagree.
- 252
- 253 **8. Committee workplan.** The committee did not have time to discuss the committee workplan at
254 this time.
- 255
- 256 **9. Next steps.** The committee plans to discuss the work plan at the next meeting on Apr. 23, 2021.
- 257
- 258 **10. Adjourn.** The committee M/S/A to adjourn the meeting at 10:58 a.m.