

## Business Equity/Diverse Business Inclusion Committee Capital Projects Advisory Review Board

3 June 2022

Committee focus:

- Comprehensive review of RCW 39.10 with the lens of equity (include RCW 39.04 & 39.80).
- Create consistency in statutory language.
- Evaluate and bring forth effective strategies and opportunities for firms to compete.

<input checked="" type="checkbox"/> Olivia Yang	Washington State University	CPARB /Committee Member
<input checked="" type="checkbox"/> Santosh Kuruvilla	Exeltech	CPARB /Committee Member
<input checked="" type="checkbox"/> Lisa Van der Lugt	OMWBE	CPARB /Committee Member
<input checked="" type="checkbox"/> Charles Wilson	DES	CPARB /Committee Member
<input checked="" type="checkbox"/> Irene Reyes	Excel Supply Company	CPARB /Committee Member
<input checked="" type="checkbox"/> Janice Zahn	Port of Seattle	CPARB /Committee Member
<input type="checkbox"/> Jackie Bayne	WSDOT OEO	Committee Member
<input type="checkbox"/> Cheryl Stewart	Inland Northwest AGC	Committee Member
<input checked="" type="checkbox"/> Chip Tull	Hoffman Construction	Committee Member
<input checked="" type="checkbox"/> Aleanna Kondelis	Hill International	Committee Member
<input checked="" type="checkbox"/> Brenda Nnambi	Sound Transit	Committee Member
<input checked="" type="checkbox"/> Linda Womack	MBDA	Committee Member
<input checked="" type="checkbox"/> Cathy Robinson	City of Lynnwood	Committee Member
<input checked="" type="checkbox"/> Shelly Henderson	Mukilteo School District	Committee Member
<input checked="" type="checkbox"/> Keith Michel	Forma	Committee Member
<input checked="" type="checkbox"/> Young Sang Song	Song Consulting	Committee Member
<input checked="" type="checkbox"/> Stephanie Caldwell	Absher Construction	Committee Member
<input type="checkbox"/> Bill Dobyns	Lydig	CPARB
<input type="checkbox"/> Bobby Forch	Forch Consulting	CPARB
<input type="checkbox"/> Lily Keefe	USDOT - Northwest SBTRC	
<input type="checkbox"/> Sarah Erdman	OMWBE	
<input type="checkbox"/> Van Collins	ACEC Washington	
<input type="checkbox"/> Cathy Ridley	Exeltech	
<input checked="" type="checkbox"/> Maja Huff	Washington State University	
<input type="checkbox"/> Jerry Vanderwood	AGC of Washington	
<input type="checkbox"/> Timolin Abrom	OMWBE	
<input type="checkbox"/> Melissa Van Gorkom	Senate Committee Services	
<input type="checkbox"/> Amy Stenvall	Mukilteo School District	
<input type="checkbox"/> Cindy Magruder	University of Washington	
<input type="checkbox"/> Carrie Whitton	Forma	
<input checked="" type="checkbox"/> Rachel Murata	OMWBE	
<input type="checkbox"/> John Rose	MRSC	
<input type="checkbox"/> Jolene Skinner	LnI	
<input type="checkbox"/> Curt Gimmestad	Absher Construction	
<input type="checkbox"/> Eric Alozie	NEW Construction	
<input type="checkbox"/> Jerry Vanderwood	AGC	
<input type="checkbox"/> Hans Hansen	Bailey Construction	
<input checked="" type="checkbox"/> Bob Armstead	Armstead Consulting	
<input type="checkbox"/> Bill Frare	DES	
<input type="checkbox"/> Andrea Ornelas	Union	
<input type="checkbox"/> Rebecca Keith	Seattle City	
<input type="checkbox"/> Greg Bell	Pierce County	
<input checked="" type="checkbox"/> Kara Skinner	Integrity Surety	
<input type="checkbox"/> Julie Campos	OMWBE	
<input checked="" type="checkbox"/> Laura Preftes		

## AGENDA

Item	Purpose	Start
Welcome and committee member introductions	Information	10:00 am
Review & approve agenda	Action	10:05 am
Review & approve 5/27/2022 meeting minutes	Action	10:10 am

Committee Conclusion	Discussion	10:15 am
<b>Follow-up Discussion On:</b>		
SWR / Small Business Definition	Discussion	10:30 am
Improving Prompt Pay for Diverse Business	Discussion	10:50 pm
Next generation mentor protégé scenarios	Discussion	11:20 am
"Final word" (from committee members)	Discussion	11:45 am
Adjourn	Action	12:00 pm

#### **DIGITAL CONFERENCE ACCESS**

The committee meeting will be conducted entirely by Zoom digital conferencing.

Online <https://wsu.zoom.us/j/97615048848>

Meeting ID: 976 1504 8848

Join by telephone

Dial: US: +1 253 215 8782 or +1 669 900 9128 or +1 646 558 8656

Meeting ID: 976 1504 8848

Olivia Yang - Washington State University  
206 718 0787 [olivia.yang@wsu.edu](mailto:olivia.yang@wsu.edu)

Santosh Kuruvilla – Exeltech Consulting  
206 713 1241 [santosh@xltech.com](mailto:santosh@xltech.com)

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#### Item: **Welcome and committee member introductions**

- Call to Order
- Quorum confirmed.

Action by: BE/BDI Committee  
Status: Approved and complete

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#### Item: **Review & approve agenda**

- Agenda Approved.

Action by: BE/BDI Committee  
Status: Approved and complete

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#### Item: **Review & approve 5/27/2022 meeting minutes**

- Minutes approved

Action by: BE/DBI Committee  
Status: Approved

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#### Item: **Committee Conclusion**

- Purpose of the committee has been fulfilled. Today will be the last meeting of the BE/DBI Committee as the report will be completed.
- Grateful for everyone's engagement for the past year.
- Provided a report status update
- Feedback discussed around the different parts of the state comment in the executive summary.
  - Intent described as tactic differences across the state.
  - Viewpoint that it only reflects the amount of activity in the area, not the money and value of work that should be awarded.

- Aspiring to the same goals or exceed goals. Do not want special dispensation, but the reality is that we are not going to get there today. May need to implement tactics that would not need to be done in the Puget Sound area.
- Sounds like if we use an example – women’s rights.
- Proposed change to first sentence: Washington is an incredibly diverse state. Therefore, the types of challenges and opportunities, and the various strategies to increase WMBE participation may be different across the 39 counties.
  - Accepted
- Sole concern and objection has to do with implication that it is OK to have different goals and objectives in the State of Washington based upon geographic location.
- Viewpoint of project specific circumstances require differing levels of effort and needs.
- How about this wording following the first changed sentence: "For example, some communities are home to an established pool of diverse businesses, many of whom may need greater support to thrive and continue to grow. Other communities have fewer current such businesses to participate and will require a serious commitment of resources to develop and grow new or emerging WMBE firms to ensure equity of opportunities."
  - Declined
- Call to action to owner to create a counterculture to move this along. Need owners and prime contractors to embrace a culture and accountability and the commitment to do the strategies necessary.
- Owners should include within their front specifications talk about their commitments to this.
- Should not be one leg of the stool.
- Regardless of location in Washington we each are, we need to make a cultural commitment to develop, grow and support WMBE firms to ensure equity of opportunities.
- Page 5 – Add Association of Women and Minority Businesses. Add the organization representation to Irene’s name on the page.
- Clarify that these are resources – not endorsements.
- Proposed Changes:
  - Final Agreed replace the second paragraph in the executive summary:
    - Washington is an incredibly diverse state. Therefore, the types of challenges and opportunities, and the various strategies to increase small and diverse business participation may be different across the 39 counties. Regardless of where in Washington we each are, all stakeholders need to make a collaborative effort towards cultural commitment to develop, grow and support small and diverse business firms to ensure equity of opportunities. Owners set the tone and the intentionality for the culture of inclusion for their projects. Every team member has an important role to ensure small and diverse business firms are welcomed, competitive and able to successfully deliver.
    - Motion to include
  - Page 6 Language on accountability. Into executive summary.
    - Concepts to include:
      - Frame in the positive
      - Accountability must be top of mind in order to....
      - Measurements of accountability.
  - Discussion around DES comment around milestone – getting the payment all the way down to all subtiers. Include the prompt payment language.
  - Competitive – add the words about and “able to successfully deliver or perform”.
- Motion: Rachel and Maja will take the feedback of the four changes above and include the changes to the draft to CPARB, copying everyone on the committee.
  - Motion approved, no opposed and no abstentions.

Action by: Committee

Status: N/A

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Item: **Follow-up Discussion On: SWR / Small Business Definition, Improving Prompt Pay for Diverse Business, Next generation mentor protégé scenarios**

- Prompt Pay Continued from last meeting
- Range of timely payment discussed.

- Not advance payment – but promptly and reasonably and fairly.
- It takes plan to successfully make prompt payment a reality.
- Business owners need to read their contracts that they signed. Primes will practice what they put in the contract.
- DES requires 10 day payments to subs.
- 10 days could be good dependent upon the circumstance, billing and what is included, could not include amounts from subcontractors.
- Change Orders or negotiated change agreement with prime makes payment situational and impacts payment.
  - Changes directed and performed before it can even become a prompt payment issue adds even more time to the prompt payment challenge.
- Supplies versus contracting, contracting side is constantly evolving. Things happen, and it is always situational on the contracting side. It is just the way it is.
- Line of credit impacted by failure to receive prompt payment – over 120+ banks negatively look at the contractor and impacts their creditability. Banks calculate interest monthly. Aftermath of delayed payment – looks at your pnl – you are not receiving your accounts receivable on time. Then you can't qualify for the line of credit.

Action by: Committee

Status: None

Item: **Final Word**

- Thank you to the Co-Chairs and the editors.
- Clarifying question – if CPARB asks us to come back? There could be other meetings?
  - Yes – but up to CPARB.
- Thank you to everyone's input and perspectives and ability to work together towards the edits.
- Important to monitor subcontractor payments as an Owner.
- Appreciate the safe space to hear and speak about the tough issues affecting the industry and discuss meaningful changes.

Action by: Committee

Status: N/A

Adjourn 11:57 pm

From Rachel Murata (she/her) OMWBE to Me (Direct Message) 10:04 AM

The other option for the minutes would be to make them really abbreviated this meeting, and have a short recess at the end then come back to approve them. But I don't know if that's realistic for you.

From Janice Zahn to Everyone 10:05 AM

Good morning everyone.

Me to Rachel Murata (she/her) OMWBE (Direct Message) 10:06 AM

I could probably pull off that option as well

From Rachel Murata (she/her) OMWBE to Me (Direct Message) 10:06 AM

It can just be basically decisions, with no additional detail.

From Linda Womack@MBDA to Everyone 10:15 AM

Got it and thank you for putting together this concise report!

From Aleanna Kondelis-Halpin to Me (Direct Message) 10:15 AM

Received. Thank you.

From Aleanna Kondelis-Halpin to Everyone 10:22 AM

Brenda is on the phone listening in. The 360 number.

From Janice Zahn to Everyone 10:23 AM

How about if this is reworded to: Washington is an incredibly diverse state. Therefore, the types of challenges and opportunities, and the various strategies to increase WMBE participation may be different across the 39 counties.

From Aleanna Kondelis-Halpin to Me (Direct Message) 10:28 AM

Huh?

We are not endorsing organizations are we?

From Rachel Murata (she/her) OMWBE to Me (Direct Message) 10:29 AM

We're still seeing small and diverse business as first choice

Me to Rachel Murata (she/her) OMWBE (Direct Message) 10:30 AM

Where is she talking about

From Rachel Murata (she/her) OMWBE to Me (Direct Message) 10:30 AM

Access to opportunities, support orgs

From Janice Zahn to Everyone 10:33 AM

How about this wording: "For example, some communities are home to an established pool of diverse businesses, many of whom may need greater support to thrive and continue to grow. Other communities have fewer current such businesses to participate and will require a serious commitment of resources to develop and grow new or emerging WMBE firms to ensure equity of opportunities."

From Linda Womack@MBDA to Everyone 10:41 AM

agreed

From Aleanna Kondelis-Halpin to Everyone 10:43 AM

Agreed

From Me to Everyone 10:46 AM

Regardless of where in Washington we each are, we need to make a cultural commitment to develop, grow and support WMBE firms to ensure equity of opportunities.

From Janice Zahn to Everyone 10:47 AM

Add the sentence, "Owners set the tone and the intentionality for the culture of inclusion for their project. Every team member has an important role to ensure WMBE firm are welcomed, competitive and able to successfully deliver."

From Rachel Murata (she/her) OMWBE to Everyone 10:52 AM

For consistency, do you want to change WMBE to small and diverse business because it includes the other groups in statute as well?

From Cathy Robinson to Everyone 10:53 AM

Yes, what Rachel said.

From Janice Zahn to Everyone 10:54 AM

concerted and sustained effort...

From Linda Womack@MBDA to Everyone 10:56 AM

Janice, that's a good one!

Me to Rachel Murata (she/her) OMWBE (Direct Message) 11:08 AM

I can't pull it up without everyone seeing

From Irene Reyes to Me (Direct Message) 11:47 AM

please include on page 14 as I mentioned my non profit called the AWMB, Association of Women and Minority Businessses. thank you. please check on WA SOS we have been established in 2016 or 2017

Me to Irene Reyes (Direct Message) 11:49 AM

I will GLADLY do that! Thank you!

From Irene Reyes to Me (Direct Message) 11:55 AM

May I suggest perhaps use collaborative engagement and not efforts.

thank you for a beautiful work on this.

Me to Irene Reyes (Direct Message) 11:56 AM

great turn of phrase. Thank you so much for all of your valuable input.

From Kara Skinner to Everyone 11:57 AM

Love the quotes!!!