

Capital Projects Advisory Review Board  
**BE/DBI Committee Special Meeting**  
Meeting Notes October 16, 2024  
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**Location:** via Teams

**Meeting ID:** 286 966 538 619 **Passcode:** 528oxQ

**Committee Members:** (20 members, 11 = Quorum)

	Lekha Fernandes, OMWBE, Chair	x	Santosh Kuruvilla, Exeltech, Co-Chair
x	Irene Reyes, Excel Supply Company, Co-Chair	x	Cathy Robinson, University of WA
x	Frank Boykin, MBDA	x	John Salinas II, Specialty Contractors
	Jackie Bayne, WSDOT OEO	x	Young Sang Song, Song Consulting
	Stephanie Caldwell, Absher Construction	x	Jerry Vanderwood, (Proxy for Cheryl Stewart, Inland Northwest AGC)
x	Bobby Forch, CPARB DBE Representative	x	Chip Tull, Hoffman Construction
	Shelly Henderson, Mukilteo School Dist.	x	Bill Frare (Proxy for Charles Wilson), DES
x	Aleanna Kondelis, Hill International	x	Olivia Yang, WA State University
	Keith Michel, Forma Construction	x	Janice Zahn, Port of Seattle
x	Brenda Nnambi, Sound Transit		Matt Rasmussen, Benton County

**Guests and Stakeholders:**

	Monica Acevedo-Soto	x	Jack Donahue, MFA
	Shari Bartell, DES		Reasa Pearson, LNI
x	Jennifer Brower, Port of Vancouver		Rachael Pease, BNBuilders, Vendor Diversity Director
	Michelle Fa'amoe	x	Cathy Ridley
x	Erin Frasier, WA State Building & Construction Trades Council	x	Steve Russo
	Curt Gimmestad, Absher Construction	x	Vicky Schiantarelli, Schiantarelli & Associates
x	Maja Sutton Huff, WSU, Higher education	x	Kara Skinner, Integrity Surety
x	Tennille Johnson, OMWBE	x	Robin Strom, Anderson Construction
	Bryan Kelley, Howard S. Wright		Ethan Swenson, OMWBE
	Denia Lanza-Campos		Jerry Vanderwood, AGC
x	Cindy Magruder, UW	x	Marissa Woodard-Nave, Forma Construction
x	Edwina Martin-Arnold	x	Carrie Whitton, Forma Construction
	Patrick McQueen, PCL Construction		Edson Zavala, Sound Transit
x	Monique Martinez, DES	x	Jennifer Brower, Port of Vancouver

**The meeting began at 1:33 p.m.**

**Welcome & Introductions**

Co-Chair Santosh Kuruvilla welcomed everyone and thanked them for attending the meeting.

Marissa Woodard-Nave from Forma Construction was in attendance as an observer, as well as Jennifer Brower from the Port of Vancouver.

**Approve Agenda**

*John Salinas motioned to approve the agenda, seconded by Cathy Robinson. The motion passed with a voice vote.*

*Minutes by Jack Donahue, MFA, edited by Monique Martinez or Talia Baker*

### **Approve Minutes from 9/18/2024**

*Chip Tull motioned to approve the minutes from 9/18/2024, seconded by Young Sang Song. The motion passed with a voice vote.*

### **CPARB Update**

Co-Chair Kuruvilla summarized their meeting with CPARB. CPARB approved their recommendations and wanted to meet to develop the legislative language.

### **BEDBI Report Recommendations**

Co-Chair Kuruvilla turned ahead to the next few recommendations for the committee and pulled up the original Report to the Legislature. He asked, since they had already tackled prompt pay, what the next subject would be.

John highlighted a list of topics that had not been addressed during the prompt pay process and volunteered that the committee work on those items that were related but set aside for the time being. Chip suggested focusing on change orders. Bill Frare characterized prompt pay as being made up of three factors: progress pay, change order pay and retention. The committee addressed progress pay, and Bill recommended the committee work on one of those other two factors.

John echoed Bill's point and noted that there was a legislative jumping-off point for a focus on change order pay. Bill recommended the committee read Senator King's legislation, SB 6192, so they can digest what the current law is. John provided examples of scenarios where changes are made rapidly to ensure that a road is opened back up in time. They are instructed to make those changes by the general contractor, but do not receive a change order due to disputes between the owner and the governing body. That action is not paid for until the dispute is settled. Contracts are written for change orders to be made with consent and agreement, planned out ahead of time. A change that needs to be made in the field is often subject to dispute and pay can be delayed. He said it comes down to an infrastructure difference between how contracts are written and how they apply in the field.

Bobby Forch thanked John for sharing, and asked how the changes were initiated, between owner and contractor. He also asked if there was set pricing if faced with a straightforward change order. He added that there were different decision trees being made depending on if the change order is owner- or contractor-initiated, which can often bog down the process. John agreed with that and said they can go in a million different ways.

Bobby suggested, on straightforward change orders, they explore process improvement to ensure things go out quickly, because they should be easy to handle. Co-Chair Kuruvilla suggested that they look into creating a problem statement on the topic.

Janice Zahn spoke up and sympathized with the sense of complexity around the issue, and described how situations and processes are different depending on the practices of individual entities. She said it'd be worthwhile to gain an understanding of the entire landscape of change order processes. She admitted that it would take a while, and if retention were easier to address, she suggested establishing a sub-group to tackle that subject as well.

Frank Boykin echoed the comments on the complexity of change orders. Given the power of the committee, he asked if there were a way to narrow the focus of the committee to effectively address the concerns while not getting bogged down in the complexity of the process.

Chip said that while he found value to the retainage conversation, change order pay can be a negative and impactful experience for people, and suggested they focus on that and follow Frank's framing of narrowing the scope to find actionable options.

Bill spoke to retainage, establishing that there can be long delays as contract language is determined. It can even take years for pay to be distributed.

Jerry Vanderwood built off Bill's point and said that he heard a lot about retainage from those he represented. He said that blame often ends up with regulatory agencies and added that it's worth addressing how they process retainage, as well.

Maja Sutton Huff said that the effort to ensure projects are paid out in a timely manner would make a massive difference for so many parties and would be worth working on. She pointed out how confusing the language around statutes can be, pointing out how regulatory agencies are not bound by the 45-day limit and while that may be for the best, it still can slow down the process to the point where it could prove problematic.

Co-Chair Kuruvilla described a situation between a prime designer and several sub-designers where some contracts do not cover retainage. Oftentimes retainage is not paid out until project closeout, which can be years and years down the line from the initial design phase.

Janice said she appreciated the conversation being held and suggested that retainage is released in a similar way to GCCM, where early retainage release is allowed.

Bill suggested that they speak with representatives from Labor & Industries and Labor, since they are tied up in conversations about retainage. Maja agreed and added that there are complexities between GCCM and Design-Build that can bog down the processes.

Brenda Nnambi suggested that the committee tackle retainage and change orders together, since they both focus on prompt payment. Bill said that he only had the bandwidth to tackle one at a time. Cathy Robinson agreed with Bill's statement.

Co-Chair Kuruvilla asked the group if they would rather tackle this as a complete group one at a time, or to split into sub-groups. He suggested that the next meeting time be dedicated to each topic, and then from there they could break it down into sub-groups.

Frank spoke up and said that while he didn't want to suggest that the group can't focus on two things at once, the committee would be most effective if they all focused on one of the two processes. Co-Chair Irene Reyes suggested for the sake of time that they tackle two, citing the sheer size of the committee. She suggested that the group be split up into two sub-groups and Chip suggested that the sub-groups meet at different times. Co-Chair Reyes disagreed and suggested that they dedicate a half-hour to each subject. Chip said that the way they did it for prompt pay worked well, and that the half-hour discussions wouldn't necessarily go as well.

Co-Chair Kuruvilla asked Monique Martinez to put a survey together to determine who wanted to discuss retainage and who wanted to discuss change order pay. Every two weeks the sub-groups could meet and report back to the regular BE/DBI meeting.

Jerry reminded the committee that they were not operating on a deadline and proposed a self-imposed deadline of the 2026 legislative session, to allow the recommendations time to breathe and be thought through. Co-Chair Reyes suggested summer of 2025 to allow edits to be made before that 2026 legislative session.

Chip asked the committee to utilize their networks to learn about how they are impacted by the processes.

**The meeting was adjourned at 2:41 p.m.**

### **Next Meeting Agenda**

- Welcome & Introductions
- Review & Approve Agenda and Minutes from 10/16/2024
- Retainage discussion
- Change order discussion
- Next Meeting Agenda
- Adjourn

### **Action Items**

1. Monique Martinez will put together and distribute a scheduling survey for the committee.