

Board Development Committee

Meeting Notes 05/06/2025

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Committee members in attendance unless otherwise noted: *(10 Active Members, 6 = Quorum)*

Linneth Riley-Hall, Chair, Owner Transit	CPARB
Vacant, Public Owner	Vacant CPARB
Lekha Fernandes, OMWBE	CPARB
Bruce Hayashi, Architects/Labor/Other	CPARB
Dave Johnson, General Contractors	CPARB
Santosh Kuruvilla, Owner Engineers	CPARB
Jessica Murphy, PRC Leadership	PRC
Mike Pellitteri, Specialty Subcontractors	PRC
Irene Reyes, Private Industry	CPARB
Olivia Yang, Owner Higher Ed	CPARB
Janice Zahn, Owner Ports	CPARB

Other attendees included:

Steve Russo, UMC, Specialty Contractors
Talia Baker, CPARB Staff
Jeff Gonzalez, DES
Jessica Letteney, Maul Foster & Alongi, Inc.

Welcome and introductions

Co-Chair Riley-Hall called the meeting to order at 4:01 p.m. A quorum was established.

Review and approve agenda – Action

Chair Riley-Hall reviewed the agenda, asked for amendments, and suggested a change to the agenda to discuss, consider voting on and recommending someone for the co-chair position recently vacated by Bill Frare.

Olivia Yang moved to approve the amended agenda, seconded by Chair Riley-Hall. The motion was passed by a voice vote.

Review and approve minutes from 04/01/2025 – Action

Chair Riley-Hall asked the group to review and provide any edits to the minutes from the April 1, 2025, meeting. No changes were suggested.

Dave Johnson moved to approve the minutes, seconded by Olivia Yang. The motion was passed by a voice vote. Janice Zahn abstained from voting because she was not in attendance at the April 1 meeting.

Discuss Co-Chair Position

Bill Frare's positions on CPARB and the Board Development Committee (BDC) are vacant, and the committee is looking for a new co-chair. Olivia Yang nominated Jessica Murphy. Jessica accepted the nomination. After June, Jessica will no longer be chair of the Project Review Committee (PRC); therefore, she will need to become a member of the BDC to vote. The group decided to add Jessica as Public Owner/Cities during the May 8, 2025, CPARB meeting.

Olivia Yang nominated Jessica Murphy as co-chair, seconded by Santosh Kuruvilla. The nomination was passed by a unanimous voice vote.

CPARB Request – Current and Needed Ad Hoc Committees

Chair Riley-Hall noted items from the most recent CPARB meeting. According to RCW 39.04.154, the Legislature stipulated that, in 2025 and every five years after that, CPARB must review construction cost escalation and give recommendations to appropriate committees on adjustments to contracting thresholds. The committee needs to be organized now because the legislation stipulates that the review should be completed in 2025 and it is already May. Janice said that every five years the legislature evaluates whether a new limit is needed based on what is known about costs increases and cost escalation.

Chair Riley-Hall recommended that the BDC appoint a small committee to respond to the charge and report back. Bruce Hayashi said that the member architects, engineers, contractors, and subcontractors have some knowledge of the economics of cost escalation in the industry and an understanding of the factors that affect

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construction costs. Santosh Kuruvilla noted that owners have been struggling with construction cost and contracts. For the WSDOT Project Delivery Method Review Task Force discussions on cost escalation, subject matter experts delivered presentations, studies, and data on the topic. The proposed subcommittee could do the same thing and draft a comprehensive cost escalation report as a deliverable, taking into account the need to discuss both horizontal and vertical projects. Irene Reyes recommended adding criteria requiring a number of emeritus board members because they've been on the board for a decade and can provide critical input. The subcommittee should reach out to national cost estimator who can give input on construction costs and compensation concerns.

Lekha observed that this may be limited to smaller thresholds and noted that nationwide data on small works is limited. She suggested pulling information from MRSC and other organizations that are using the small works roster. Chair Riley-Hall said she can see how it extends above the small works roster because it says recommendations to appropriate committees on adjustments to contracting thresholds, but job order contracting also has thresholds. Lekha asked whether that's in RCW 39.04.152. Chair Riley-Hall hopes the committee will investigate. Talia Baker shared that Janet Jansen reached out to the Office of Financial Management who would be happy to provide information to the committee and to CPARB in September, but is not available in May.

Santosh noted that the topic of RCW 39.04.154 is cost escalation related to small works and Senate Bill (SB) 5268 supports Lekha's point that they need to dig into this and get clear on interpretation. There is a need to get clarification on the scope of the proposed committee. The scope may need to be determined prior to establishing the committee as it affects who joins the committee. The BDC should not define it; a policy person is needed to interpret the scope. Talia noted that the job of the BDC is to recommend positions or people for the committee to CPARB, and CPARB decides on committee membership.

Irene Reyes called for a motion to establish a standing committee to address construction cost escalation. Chair Riley-Hall seconded. The motion passed by a unanimous voice vote.

Irene suggested saving time by selecting members for the committee to have something in place. She also asked whether Janice could lead the committee. Janice declined but said she would support the committee's work. Talia noted that the committee could choose its own chair and that a list of positions for committee membership is all that the BDC needs to provide.

Lekha recommended one representative each from the small, medium, and large public owners that use small works rosters because each type of owner leverages the small works rosters a little differently. At least two public works small enterprise-certified businesses should populate the roster. Some of those businesses and contractors should be incorporated into the committee, as well as primes and others. Whoever takes Bill Frare's seat should be on the committee, because DES leverages the roster in a specific way. The group discussed that business organizations or nonprofits that represent small businesses, or certified contractors bring a cluster of input instead of the perspective of just one business. Small contractors and subcontractors are not always able to attend meetings; sometimes they speak to one member and email issues. Labor unions will ask to be represented on the committee, which must be inclusive. Mike Pellitteri noted that the committee must also include people who do the pricing because they are able to drill down and understand why the escalation is happening.

Chair Riley-Hall noted that the charge could be challenging because the committee will need to focus on cost escalation for the small works roster. They will need the help of subject-matter experts, who may not be the same people as those representing small businesses. Irene said that experts can provide information about cost escalation and tariffs, but they may not know how much is reasonable. The experiences of subcontractors will shed light on the costs that were never considered for those working with the small works roster. She recommended that the group be very cautious of inclusion.

Santosh Kuruvilla recommended that the group look at the text of SB 5268 and what has been requested with regard to cost escalation data. Most of the committee's discussion will be of a commercial nature. They need to put people on the committee who can have more of a commercial discussion—that would be owners and contractors. He recommends adding members from the small business Axiom, such as Metin Keles who has a strong background in commercial templates.

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Dave Johnson said that his interpretation of the charge is to review the thresholds for small works roster and review cost escalation data and determine whether the threshold of \$350,000 is right for the small works roster. He can get the data from the *Engineering News Record* that says where cost escalation has occurred. It doesn't take a contractor expert to tell them what the escalation is, the committee needs to figure out the appropriate changes to make for the statute. Lekha agreed.

At the next CPARB meeting, Chair Riley-Hall will recommend the positions from this meeting and that the committee be established.

With regard to other committees, Talia noted that in HB 1549 there was a request for CPARB to develop supplemental bidder best practices for the state and municipalities. Best practices will take a couple of years to develop. She also recalled the recent CPARB discussion about developing a task force to review data requirements for certifications that go before PRC. Agencies that apply for PRC Certification have to supply a lot of different data and the application forms to get certification or have a project approved. Jessica Murphy said that it doesn't need to be a task for CPARB yet—she believes there are enough tasks on the table and that they need a heat map or a way to prioritize. For instance, if an issue comes to the table six times then they develop a task force.

Talia also noted that the Washington State Department of Transportation (WSDOT) was approved to start using the General Contractor/Construction Manager (GC/CM) and Progressive Design-Build contracting methods. The question on the table is whether CPARB would approach WSDOT to offer to help the agency develop a GC/CM program. According to House Bill (HB) 1970, WSDOT has to get approval from the PRC for three GC/CM projects before PRC approval is no longer needed. A CPARB committee could help make sure WSDOT knows what it's doing.

Finally, as the legislation for the HB 1621 Review Committee didn't pass, there is a possibility to restart that committee or redevelop it to get the issues on the table resolved legislatively. Olivia noted there has been a lot of disagreement about the report that CPARB issued with regard to HB 1621. Different groups have expressed continued unhappiness that bill is still there, but the Legislative arena is not a CPARB arena. The committee has discussed it for three years; it won't be fixed by talking for another three years, especially when there are so many other issues to discuss. It is not CPARB's job to tell private industry what to do. Continuing to talk to different legislators and develop another bill is up to private industry and the water/fire/sewer districts at this point. Lekha agreed that there have been many differences of opinion and conversations with no compromise.

Olivia Yang made a motion to sunset the HB 1621 Review Committee, seconded by Lekha Fernandes. The motion was passed by a unanimous voice vote.

Olivia Yang made a motion to sunset the Local Government Publics Works Study Committee and the Legislation Writing/Drafting Committee, seconded by Lekha Fernandes. The motion was passed by a unanimous voice vote.

Jessica Murphy proposed that, for the supplemental bidder responsibility best practices, they develop a timeline for prioritization of all the things on their strategic planning list and decide where the best practices fit in the list. Olivia added that the DB best practices are out of date, and a small group will be reporting to the Education Connections Committee (ECC) on how to update best practices. Talia will add to that item to the ECC agenda.

Janice reminded the group that the supplemental bidder responsibility best practices came from HB 1621. The group may want to take that one up because the current language allows PUDs and fire/water districts to reject the low bid. The goal was to have those owners use the same supplemental bidder responsibility practices instead of the special tool that only they have. She suggested elevating the priority of that issue in the strategic plan and Chair Riley-Hall agreed.

Set Agenda for Next Meeting, 06/03/2025

Chair Riley-Hall noted that, for the next meeting, the BDC will look at the other committees to make sure they agree those committees should still be meeting and prioritize the work that these groups still have to do.

Next Meeting Agenda

- June 3, 2025, 4:00 – 5:00 p.m.
- Review agenda
- Approve minutes – May 6, 2025
- Continue discussion of issues
 - Evaluate all of the committees in light of all of the BDC's work
 - Develop a priority list for strategic planning

Action Items

1. Olivia suggested adding Jessica Murphy as an official member of the Board Development Committee during the May 8 CPARB meeting.
2. Talia Baker will add updating best practices to the Education Connections Committee agenda.

Olivia Yang moved to adjourn the meeting, seconded by Chair Riley-Hall. The motion was passed by a voice vote.

The meeting was adjourned at 5:01 pm.

Strategic Planning Issues List

Issue	Objectives	Action Needed:	Completed
1. Owner/stakeholder readiness 2. Determining who is the 'public works cop/enforcement' 3. Creating a feedback loop for lessons learned	Provide guidance to public agencies and collective construction industry for successful accountable public works contracting.	Education Use potential violation report form	
4. Reimagining the PRC a. What is the role of the PRC? b. Having the right people on the PRC...	Control to ensure alternative delivery is used appropriately. Provide resources \ opportunity for project success	Review the whole PRC process	
5. Defining CPARB's value add for public works a. Taking stock of accomplishments b. Standardize decision-making in committees and on the board (recommendations include legislative reports)	# of reports / recommendations to the Legislature that have been adopted Advise the Legislature on policies related to public works delivery methods and alternative public works contracting procedures.		
6. Conducting an outcome-oriented review of the strategic plan (sequential with priority 1 & 2) a. Defining measurable goals b. Describing interim steps c. Creating actionable outcomes 7. Discussing ethical considerations for membership for CPARB, PRC or Committees a. Building in capacity (bringing in individuals to participate)			
8. Reauthorization and how to streamline it; (sequentially dependent on other issues being addressed) a. What should the Board Development Committee's role be? (regarding strategic plan and reauthorization) b. Setting the number of years for reauthorization			

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Issue	Objectives	Action Needed:	Completed
c. Reading the JLARC studies to see what they said in 2019 and 2012			