

Location: via Teams

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

Committee Members: (18 members, 9 = Quorum)

- | | |
|--|--|
| <ul style="list-style-type: none">x Lekha Fernandes, OMWBE, Chairx Santosh Kuruvilla, Exeltech (Engineers), Co-ChairIrene Reyes, Excel Supply Company, Co-ChairFrank Boykin, MBDAJackie Bayne, WSDOT OEOx Stephanie Caldwell, Absher Constructionx Bobby Forch, CPARB DBE Representativex Brenda Nnambi, Sound TransitShelly Henderson, Mukilteo School Dist. (K-12 Schools)x Aleanna Kondelis, Public Procurement Partners of Washington | <ul style="list-style-type: none">Vacant, (GC)x Robert Blain, Countyx Cathy Robinson, University of WA (was City Rep)John Salinas II, Specialty Contractorsx Young Sang Song, Song Consultingx Jerry Vanderwood, AGCx Chip Tull, Hoffman ConstructionVacant, DESx Olivia Yang, WA State University/Maja Huff - Proxyx Janice Zahn, Port of Seattle |
|--|--|

Guests and Stakeholders:

- | | |
|---|---|
| <ul style="list-style-type: none">x Joseph Gildner, Sound Transitx Maja Sutton Huff, WSUx Heather Kurtenbach, WA Building Tradesx Jessica Letteney, MFAx Cindy Magruder, UWx Christina Shelton, L&Ix Keith Michel, Forma | <ul style="list-style-type: none">x Monique Martinez, DESx Heather Munden, Port of Seattlex Rachel Pease, BNBuildersx Abigail Vizcarra Perez, City of Tacomax Steve Russo, UMCx Reasa Pearson, L&I |
|---|---|

The meeting began at 1:33 p.m.

Welcome & Introductions

Co-Chair Kuruvilla welcomed everyone to the Business Equity/Diverse Business Inclusion (BE/DBI) Committee and reviewed the agenda.

Approve Agenda

Aleanna Kondelis motioned to approve the agenda. Maja Huff seconded. The motion passed through a unanimous voice vote.

Review and approve minutes from 4/16/2025

Maja Huff motioned to approve the minutes from 4/16/2025. Aleanna Kondelis seconded. The motion passed through a unanimous voice vote.

Federal Executive Orders

Co-Chair Kuruvilla recommended postponing this discussion to the next meeting to allow Co-Chair Fernandes, who has more subject matter expertise, to participate.

Best Practices and Survey Documents

Change Order Work Group:

Steve Russo shared that the draft best practices (BP) document has been circulated and needs an introductory paragraph to explain its purpose and importance—similar to the introduction in the retainage BP document. He received feedback focused on issues such as change orders between contractors and sub-tier entities, not just owner-contractor relationships. He will verify all comments have been addressed, write a draft introduction, and send it to the group.

Co-Chair Kuruvilla suggested the introduction should also draw a connection between change order and retainage BPs, emphasizing that strong communication is a key theme across both topics. He asked Steve to include review guidance for members when sending the updated document.

Maja Huff noted that the draft documents were sent in advance, but she has not received feedback from BE/DBI committee members. She asked whether an extension is needed.

Co-Chair Kuruvilla acknowledged that feedback had been requested during the last meeting and recommended delaying the survey and BP release by one month to allow additional review.

Survey and Clarification Requests

Janice Zahn raised concerns about a bullet point in the Time and Materials (T&M) section, which emphasizes "written authorization." She noted that the language differs from the Lump Sum section and asked for clarification. Her concern is that written authorization should not replace a contractual payment mechanism like a change order, allowance, or unit price.

Steve explained that the T&M section is intended to prevent scenarios where work is performed without proper authorization, leading to disputes. He noted that different agencies handle T&M differently, and sometimes written authorization serves as a placeholder prior to formalizing a change order.

Cathy Robinson shared a past practice where field orders were used to back up a change order, helping keep projects moving without delaying billing.

Janice reiterated the need for clarity to avoid practices that create payment uncertainty or risk.

Member Feedback Process

Aleanna asked how members should submit feedback.

Co-Chair Kuruvilla asked DES to post the most recent documents on the CPARB webpage and send a reminder requesting feedback. Members should send comments to the group and cc cparb@des.wa.gov to ensure official documentation.

Additional Updates

- Joseph Gildner (Sound Transit) introduced himself as a guest at the meeting.
- Steve Russo will also draft an introduction to the **survey questions** before distributing them for review.
- Maja Huff noted that Lekha's team will format the survey and distribute it through her agency. She welcomed input on formatting.

Retainage Work Group:

Maja Sutton Huff reported that the work group has distributed both the best practices (BP) guidelines and survey questions for review. These materials are organized by stakeholder group—**owners, prime contractors, and subcontractors/subtiers.**

- The BP document has already received input from some committee members but has not yet received any comments from the BE/DBI Committee. Maja encouraged members to review the documents and submit any written feedback directly to her or to Cindy Magruder.
- The **survey questions**, also categorized by stakeholder group, aim to gather data on general understanding and misconceptions surrounding retainage. The feedback will help refine the BP guidelines to address key misunderstandings, including the timing, purpose, and application of retainage.

Discussion Highlights:

- **Cathy Robinson** asked whether the group has explored why retainage is required if a 100% payment and performance bond is already in place.
- **Aleanna** clarified that **contract bonds and retainage are governed by separate statutes.**
- **Cindy Magruder** questioned why Washington State couldn't adopt a federal model where **bonds are used in lieu of retainage.** Maja confirmed this has been discussed, but such a change would require legislative action.

Affidavits and Prompt Pay Concerns:

- **Abigail Vizcarra Perez** shared that her agency holds final payments until all affidavits are received. While not popular, this practice ensures compliance and is referenced in the BPs. She invited feedback about any negative impacts, as those are not currently addressed in the document. Maja will take this issue back to the work group.
- **Cindy** raised concerns that holding funds until affidavits are submitted may **violate the intent of prompt payment laws**, which prioritize timely compensation once work is complete. She argued that **withholding payment for missing affidavits may become a barrier**, rather than solving the underlying issues.

Legislative Strategy:

- **Steve Russo** shared that Olivia (from the Change Order Work Group) recently met with an owners' group to discuss strategies to advance prompt payment legislation. She is preparing a draft document that **may inform revised legislation.**
- **Janice Zahn** may assist in moving this forward on the legislative side.
- **Maja** emphasized that the work group's current efforts—including the BPs and surveys—may **directly support legislative recommendations**, particularly if agencies are seen to be using these practices internally.

Call for Feedback:

Maja reminded members to:

- **Send comments on retainage to Maja Sutton Huff and Cindy Magruder.**
- **Send comments on change orders to Steve Russo.**
- **CC** all feedback to cparb@des.wa.gov for official documentation.
- Comments may be submitted as markups to PDFs or written in paragraph form via email.

Co-Chair Kuruvilla provided a **link to the documents on the DES website** and urged members to review and respond.

Next Steps

- **Co-Chair Kuruvilla** suggested renaming the relevant agenda item at the next meeting to:
“**Change Order/Retainage Work Group Reporting Out on Best Practices and Surveys.**”

Next Meeting Agenda

- Welcome & Introductions
- Review & Approve Agenda and Minutes from 5/21/2024
- Work Group Report-Outs on Best Practices and Surveys
- Next Meeting Agenda
- Adjourn

Action Items

- **Steve Russo** will:
 - Review final comments.
 - Draft an introduction for both the best practices (BP) guidelines and the survey questions.
 - Send the documents to members with notes about the language to review and a reminder to consider the implications of the best practices.
- **Monique Martinez** will:
 - Post the most recent BP and survey documents to the DES website ahead of the June 18 meeting.
 - Include a reminder for members to submit feedback.
- **Committee Members** will:
 - Review all four documents (change order and retainage BPs and surveys).
 - Submit written feedback by **June 18** to:
 - **Steve Russo** for *change order* content.
 - **Maja Huff or Cindy Magruder** for *retainage* content.
 - CC cparb@des.wa.gov to ensure official documentation.

Cathy Robinson motioned to adjourn the meeting. Aleanna Kondelis seconded. The motion passed through a unanimous voice vote.

The meeting was adjourned at 2:14 p.m.

References

Best Practices and Survey documents: <https://des.wa.gov/about/committees-groups/capital-projects-advisory-review-board-cparb/business-equitydiverse-business-inclusion-committee>

[BE/DBI Legislative Report June 2023](#)