

## CAPITAL PROJECTS ADVISORY REVIEW BOARD

### Virtual Meeting Minutes

May 8, 2025

| MEMBERS PRESENT                     | REPRESENTING                 | MEMBERS ABSENT       | REPRESENTING              |
|-------------------------------------|------------------------------|----------------------|---------------------------|
| Linneth Riley-Hall ( <i>Chair</i> ) | Transportation               | Rep. Mike Steele     | House (R)                 |
| Keith Michel ( <i>Vice Chair</i> )  | General Contractors          | Rep. Steve Tharinger | House (D)                 |
| Robert Blain                        | Counties                     | Senator Judy Warnick | Senate (R)                |
| Garett Buckingham                   | Public Hospital Districts    |                      |                           |
| Lekha Fernandes                     | OMWBE                        | <i>Vacant</i>        | Construction Trades Labor |
| Bobby Forch Jr.                     | Disadvantaged Businesses     |                      |                           |
| Erin Fraser                         | Counties                     |                      |                           |
| Senator Bob Hasegawa                | Senate (D)                   |                      |                           |
| Bruce Hayashi                       | Architects                   |                      |                           |
| Janet Jansen (Alternate)            | Dept. of Enterprise Services |                      |                           |
| Santosh Kuruvilla                   | Engineers                    |                      |                           |
| Karen Mooseker                      | School Districts             |                      |                           |
| Heather Munden                      | Ports                        |                      |                           |
| Mark Nakagawara                     | Cities                       |                      |                           |
| Irene Reyes                         | Private Industry             |                      |                           |
| Steven Russo                        | Specialty Contractors        |                      |                           |
| John Salinas II                     | Specialty Contractors        |                      |                           |
| Kara Skinner                        | Ins./Surety Industry         |                      |                           |
| Robin Strom                         | General Contractors          |                      |                           |
| Robynne Thaxton                     | Private Industry             |                      |                           |
| Olivia Yang                         | Higher Education             |                      |                           |

***Staff & Guests are listed on the last page***

### CALL TO ORDER & ROLL CALL FOR QUORUM

Chair Linneth Riley-Hall called the virtual meeting of the Capital Projects Advisory Review Board (CPARB) to order at 8:01 a.m. A meeting quorum was confirmed.

### WELCOME BOARD MEMBERS & INTRODUCTIONS

Chair Riley-Hall welcomed board members and new member, Heather Munden, representing Ports to the meeting. Board members introduced themselves and the stakeholder group they represent.

### APPROVE AGENDA – *Action*

The review of legislation was recommended for removal from the agenda. Additionally, John Salinas will introduce Ken Simonson and provide introductory comments.

***Robynne Thaxton moved to approve the agenda as amended, seconded by Irene Reyes. A voice vote approved the motion unanimously.***

### APPROVAL OF MEETING MINUTES – April 10, 2025 – *Action*

Following a discussion on the phrasing of motions for appointments to the Project Review Committee, Recording Secretary Valerie Gow clarified information on the appropriate methods for nominating and appointing individuals.

On page 7, under **New Business – Stipends**, the fourth sentence in the first paragraph should be revised to reflect, “*She is willing to assume the role of Program Administrator for the Community Compensation Program on behalf of the Board and will work with the Finance Department to prepare some documentation using samples from other agencies that have implemented the program.*”

***Olivia Yang moved to approve the April 10, 2025 meeting minutes as amended, seconded by Karen Mooseker. A voice vote approved the motion unanimously.***

### INVITATION FOR PUBLIC COMMENTS – *Information*

There were no public comments.

### CHAIR REPORT

Chair Riley-Hall reported on the preparation and mailing of over 50 thank you letters to committee members, task force participants, PRC appointees, and Janet Jansen for her service on the Board. The letters serve as a reminder of the numerous individuals who serve to improve the state’s public works process regardless of their capacity.

Chair Riley-Hall attended the bill signing ceremony on HB 1967 that removed payment and performance bond requirements from the design portion of Design-Build projects. Sound Transit initiated the bill. On behalf of the Board, Chair Riley-Hall conveyed appreciation to Representative Janice Zahn for sponsoring the bill.

Chair Riley-Hall reminded the Board of its Shared Commitments printed on the agenda for each meeting

**COST ESCALATION PRESENTATION WITH KEN SIMONSON, AGC OF WASHINGTON – *Information***

John Salinas introduced Ken Simonson, Chief Economist with AGC of America. Mr. Salinas described Mr. Simonson's professional credentials and work experience spanning more than 40 years.

Mr. Simonson presented information on construction employment statewide and nationally, material costs for different segments of the industry, and the potential impacts affecting the industry of major policy changes occurring over the last four months.

The construction industry within the state experienced a significant drop in employment at the beginning of the pandemic because of the initial restrictions on construction activities. The industry experienced a 15% decline in construction employment throughout the state at the beginning of the pandemic. That decline ended within several months with employment increasing more quickly in the state than nationally. Cumulatively, since February 2020, construction employment in the state increased to the pre-pandemic level by mid-2021 and continued to increase for another year. However, recent construction employment has reduced sharply and is more than 4% below the level in February 2020, whereas, for the entire country, employment has increased steadily by 9% prior to the pandemic level. Those figures are compiled from 360 metro areas as well as from state data. Employment declines have occurred across the entire state. Washington experienced the largest decline of any state in the last 12 months. Nineteen states experienced a decline in construction employment that was much more severe than last year when 15 states experienced a decline in construction employment. Most of the country has experienced gains in employment, although somewhat slowing not only in construction but also in all sectors. Another measure for construction employment trends nationally is from the Job Openings and Labor Turnover Survey. New hires as a percentage of the existing workforce in March 2025 represent only a growth of 3.6% not accounting for the number of employees leaving a company. Hires have declined steeply over the last several years and were lower over the last three years historically, including March 2024 to March 2025. The construction industry nationally has put a hold on hiring individuals or filling vacancies. In terms of layoffs, 1.7% of workforce layoffs in March 2025 were a record low for the month of March, which speaks to the need for hiring more workers over the next several months. It has also become difficult to fill positions with qualified construction workers.

The industry has been able to attract workers by paying higher wages than other industries. The national employment report, *Average Hourly Earnings for Production and Non-Supervisory Employees*, documents average wages for most non-supervisory craft and office workers. The industry subsector reflects that construction wages are higher than other private sector wages. For construction as a whole in early 2022, the premium offered to workers was 16.6% and has since increased to 18.8%. For public works jobs, premiums increased more in civil engineering construction firms from 19% to above 25%. Average hourly earnings for all employees in construction rose by a steady 5% rate year over year with the amount tapering recently with March data reflective of a 3.9% increase and an April increase of 4.5%. The industry will likely continue to experience continued wage increases between 4% and 5%. AGC is one of approximately 10 associations supporting the Construction Labor Research Council. The Council analyzes all union settlements in construction. Last year, the first-year increase in new union contracts reflected a median increase of 4.7%. For 15% of those contracts, the median increase was more than 6.5%. It appears some substantial increases have occurred for union workers well over 4% on average. Another measure is from PAS, a firm that has surveyed construction for over 40 years on salaries and executive pay. PAS reported that last year, the average increase was over 4%. It is expected that wages will continue to increase more than other private sector jobs by at least 4% if not more.

Cost for materials is documented by the Producer Price Index of inputs for new non-residential construction. It is reflective of a weighted average of the cost of all materials and services (design and trucking services) used in non-residential construction. The Bureau of Labor Statistics compiles the data by surveying thousands of producers on the 11<sup>th</sup> day of each month for the cost of specific items. During the height of the pandemic in early 2020, the economy shut down and prices for many construction inputs dropped and then eventually reversed similar to wages. By summer 2020, prices were at the previous pandemic level and continued to rise steeply with record prices for lumber, steel, copper, and diesel followed by frequent and steeper than usual increases for concrete, gypsum and wallboard, and insulation followed by disruptions in price increases for a variety of construction plastics. For 12 months, the index rose at a 20% or greater rate peaking in summer of 2022 and moderating as consumer prices experienced a one-time high increase of 9.1% year over

year in June 2022. During 2023, some prices dipped below prices in 2022. From late 2023 through 2024, moderate increases or slight decreases occurred. Figures for the first three months of 2025 reflect an increase of .4% from February to March following an increase of 6/10<sup>ths</sup> of a percent in January and 8/10<sup>ths</sup> of a percent from December to January. It is likely that sustained price increases will continue regardless of tariffs. The cumulative change since February 2022 for material cost is 40% and far more than the 24% increase in the Consumer Price Index (CPI). Many construction projects have and will continue to experience much more severe price increases than the general rate of inflation.

Figures for construction spending by project type are from the Census Bureau released on the first business day of each month. The period covering March 2025 reflects a similar pattern as employment with some growth but slowing in all categories. Private residential construction was affected by the rise in mortgage rates with single-family home building dropping significantly in early 2023 with some recovery since then only to drop in multi-family construction. Recent figures reflect a 3% increase year over year in private residential construction. For both public and private non-residential construction, growth was strong in 2023 and into 2024 tapering off rapidly with current figures reflecting low to mid-single digit increases. The Census Bureau website publishes details on over 170 non-residential categories. Overall, total construction increased by 3% between private residential and non-residential with public and private construction growing slowly with each category experiencing a mix of increases and decreases in spending. With recent Administration policy changes and tariffs, it is hopeful that the actual tariffs rates will reflect the published rates. However, the industry is subject to a baseline tariff of 10% on nearly all imports that do not have other rates assigned. Beginning in April 2025, the President announced reciprocal tariffs effective April 9, 2025, to over 100 countries with additional tariff rates of up to 50%. The President then suspended the reciprocal tariffs for 90 days, 14 hours after the initial announcement. The impact of uncertainty surrounding tariffs on construction can be severe with the most severe action of a 145% tariff on goods from China. Negotiations are supposed to be in progress in Switzerland between U.S. and China representatives. Of particular interest to the state, are tariffs from goods from Canada. Adding to the confusion are goods that are subject to the U.S./Mexico/Canada Agreement. The situation remains fluid and uncertain resulting in future higher costs. Tariffs on Canadian lumber may be exposed to additional tariffs for all imported lumber or specifically for Canadian lumber. Another cost is a fee imposed on Chinese-built or operated ships calling on U.S. ports. The impact of tariffs will likely be based on the actions by other countries in terms of reciprocal tariffs or retaliatory tariffs. U.S. firms will no longer be as competitive in selling goods to those countries with U.S. firms experiencing cost increases and no longer competitive in the market. Additionally, tourism is also experiencing a drop from Canada as well as purchases by Canadians in the U.S. The risk of a downturn in the economy or recession has increased substantially primarily because of actual tariff actions and the uncertainty of threatened actions causing investors and companies to pause investments that they otherwise would be pursuing.

Economic growth is still more likely than not as the U.S. economy has been extremely resilient over the last five years in spite of COVID, Russia invasion of Ukraine, and many other disruptions. The construction industry is particularly vulnerable to high tariffs and changes in immigration and deportation actions. Larger deficits in the future suggest that interest rates will remain high and even increase creating negative implications for homebuyers and for bond issuers with state agencies paying more in interest leading to fewer funds for construction. Big shifts in policy support for renewables have halted wind projects. Rollback of federal regulations and the lack of clarity surrounding many policy changes have negative effects across the country and within the construction industry. Many state and local projects depend on state and local regulations that are not affected by federal changes. The state will likely experience a gradual increase in single-family construction tempered by the reality of potential higher interest rates. Most commercial projects will experience declines in new construction. The largest growth sector is data center projects and accompanying power projects. Infrastructure projects continue to receive funding for transportation, rail, and airport with transit projects likely not supported by the current Administration. The largest non-residential segment, manufacturing, had experienced some growth but has since halted since May 2024. While some projects may move forward because of protections from tariffs, more firms will pause, cancel, or scale back construction because of higher costs for both construction and inputs. Without tariffs, material costs were increasing by 1% to 3% during 2025. Only one occurrence of tariffs will increase the cost of construction material costs in addition to the risk of disruptions, supply chain issues, and retaliatory actions resulting in continued prices increases well beyond 3%. Construction employment will also be affected.

Census Bureau surveying reflects that nationally, 18% of workers are foreign-born. Within the construction industry, 34% of workers are foreign-born with more in some construction craft trades. A decrease in immigration and an increase in deportations will result in disruptions to the U.S. workforce. Dependence on foreign-born workers varies by state. Last year, the population increased by nearly 1%, which is the highest since 2001. However, 84% of that increase was from net

immigration. With borders effectively closed according to current data, much more pressure will occur on population growth with more states experiencing a decline leading to more difficulty in finding workers.

Mr. Simonson concluded his presentation and invited questions.

Mr. Salinas commented that the Board is responsible for advising the Legislature on issues surrounding construction cost increases. Currently, limits are imposed on Small Works Rosters with requests to increase the limit over time given the increase in construction costs experienced by the industry. It appears that tariffs at a minimum of 10% will be imposed moving forward in addition to increased costs in labor. He recently received figures from two major unions reflecting a labor increase of approximately 5.8%. He asked about a benchmark figure companies could consider for construction cost increases over the next several years.

Mr. Simonson advised of a conservative increase between 3% to 5% for material costs while acknowledging that many companies have announced larger price increases and many of those announcements are either perspective or a trial balloon and do not necessarily affect all products.

Mr. Kuruvilla asked about any indicators in the industry reflecting a tightening of credit.

Mr. Salinas responded that based on experience, concrete suppliers have dramatically reduced the extension of payment terms. Companies with strong balance sheets are experiencing bank actions increasing the spread between the prime and the actual rate. As a subcontractor, there have been four instances over the last 18 months where the general contractor issued payments from the bonding company. He has personally witnessed the tightening of credit with the cost of borrowing money increasing and some companies defaulting on projects.

Erin Fraser noted that the information shared during the presentation lacked any reference to apprenticeship programs. At the beginning of 2025, over 8,000 Washingtonians signed up to participate in union construction apprenticeship programs.

Mr. Simonson noted that AGC of Washington and the Northwest Chapter covering counties along the Columbia River have been supportive in increasing career and technical education to create more job opportunities for careers in construction. AGC is pursuing national efforts to encourage Congress to provide funding for career and technical education similar to funding provided for university education.

Irene Reyes inquired about the possibility of producing a graphic reflecting the correlation of interest rates to construction activity over time.

Mr. Simonson advised of the difficulty of producing a graphic to reflect a direct correlation between interest rates and construction activity because of the number of factors influencing construction, such as the cost of construction, demand for construction, and the economy as a whole.

Chair Riley-Hall thanked Mr. Simonson for the presentation and reiterated the Board's new task beginning in 2025 and every five years, to review construction and cost escalation data for Washington State from industry publications, roster utilization, and other appropriate data metrics to recommend to the appropriate legislative committees any adjustments to contracting thresholds in RCW 39.04.152 for small works.

## **PRC APPOINTMENTS – Action**

### **Design Industry – 1 Position**

Chair Riley-Hall reported one applicant, Thomas Golden, submitted a letter of interest. She invited Mr. Golden to share information on his interest in serving on the PRC representing the Design Industry.

**Thomas Golden** shared that he has been a licensed architect since 1992 in the state of Washington. At that time, the state completed mostly Design-Bid-Build projects. His first GC/CM project was in 2001 followed by a Design-Build project in 2011. His appointment would represent his third term serving on the PRC. Service on the PRC has been a rewarding experience enabling him to learn about other project types, such as heavy civil projects and ways state agencies implement alternative delivery projects. He would appreciate the opportunity to continue serving on the committee.

Olivia Yang spoke to reasons for her support of Mr. Golden's appointment to the PRC.

*Olivia Yang nominated Thomas Golden to serve in the Design Industry position on the PRC.*

***Robynne Thaxton moved to appoint Thomas Golden to serve on the PRC representing the Design Industry, seconded by Robert Blain. A voice vote approved the motion unanimously.***

**Disadvantaged Business Enterprises (DBE) – 2 Positions (DBE 1 for 2 years & DBE 2 for 3 years)**

Chair Riley-Hall identified applicants Yuki Seda-Kane, Young Sang Song, Scott Lundt, and Joshua Cheatham. She invited each applicant to share to their interest in serving on the PRC representing Disadvantaged Business Enterprises.

**Yuki Seda-Kane** said she is an architect and has worked in the industry for 22 years. She was born and raised in the Puget Sound area and graduated from Washington State University and spent 10 years of her career working on alternative delivery projects. During her first year as a design architect at Miller Hull, she worked on the King County Library Design-Build project and schools for the Muckleshoot Tribe. She transitioned to Sound Transit and spent over seven years on the Federal Way Link Extension project serving as the lead for station design, evaluating contractors during the procurement and evaluation stage, and collaborating with contractors and stakeholders. She recently joined Axiom Consulting and Project Management LLC as a partner. The business is registered with the Washington State Office of Minority & Women-Owned Business Enterprises. She is familiar with RCW 39.10 and the objective review process for evaluation of projects for owner readiness, budget, innovation, and schedule. Many of her colleagues are active in a variety of ways with the Board by serving on different committees and by supporting owners. She is invested in the success and equity of small businesses for alternative delivery project methods.

**Young Sang Song** shared that he was born in Korea and migrated in 1989 to the City of SeaTac with his family. In 2003, he graduated from the University of Washington with a construction management degree. His first employment was with a small contractor company working on heavy civil projects. He worked with the company for 14 years delivering transportation alternative delivered projects along the West Coast, throughout the country, and in Canada. He joined the Walsh Group focused on completing heavy civil projects in the state totaling \$10 billion. In 2017, he opened Song Consulting, LLC, focusing on helping DBEs and Minority Business Enterprises (MBEs). He currently serves as the Washington State Department of Transportation (WSDOT) DBE Support Services provider and works with over 30 DBE businesses. His current focus is working with several mentors to help improve his effectiveness in serving on the PRC and he looks forward to reappointment to the committee.

**Scott Lundt** reported that in terms of experience, he lacks the experience of managing large GC/CM projects with most of his experience on Design-Build or smaller Job Order Contracting (JOC) projects. In terms of his fit within the committee, he believes his experience serves as the front door for most disadvantaged businesses seeking involvement in public works. Since 1997, much of his career was focused on finance in banking and commercial financing. His company, Freeman Lundt, acquired a material supply company. The company serves MBE and DBE companies. During the process to sell commercial industrial products, such as lights and EV chargers, etc., the company discovered most of the projects entailed a request to serve as the general contractor as most of the projects were less than a \$1 million and lacked bids. Ultimately, the company assumed the general contractor role and pursued ways to advance the message of employing disadvantaged, minority, women, and veteran-owned businesses. Recently, the company negotiated several contracts involving disadvantaged businesses by negotiating part of the payment system so the companies could receive upfront payment for design and material work with ongoing progress billings. The process enabled those companies to participate. He would like to contribute that experience to the committee as well as learn from other members who have larger construction experience to work together to further policies to help small companies succeed.

**Joshua Cheatham** said he graduated from Washington State University and has been in the industry for over 25 years and 20 years as a licensed civil engineer. His experience spans public works with WSDOT leading the I-405 Traffic Corridor Team responsible for construction traffic, closures, plan approval, and working with the design builder. He transitioned to the private sector working for a corporation that provided an opportunity to work on the Seattle Seawall alternative delivery project and other projects involving the Sound Transit Link extensions in Federal Way (Design Build), East Link (GC/CM), and Lynnwood (GC/CM). Currently, he is the President and Chief Executive Officer of Furtado & Associates, a certified DBE. His understanding and history with alternative delivery from a management perspective both as an owner's representative as well as on the contracting side would benefit the committee. His values in serving the community and using his experience and knowledge gained throughout the years would provide an opportunity to give back to the industry.

Chair Riley-Hall invited questions from the Board.

Ms. Reyes asked whether the positions representing DBEs requires OMWBE certification and ownership of the business by the applicant. Staff advised that applicants are required to be employed by a certified DBE company.

Ms. Reyes inquired as to whether staff or the Board has the ability to ascertain the company's status or whether any DBE company could be under investigation for potential de-certification.

Lekha Fernandes advised that all certified companies are included within the OMWBE directory. It is possible for the Board and OMWBE to communicate concerning the status of any firm. All applicants for consideration are employed by firms certified as DBE.

*Robynne Thaxton nominated Joshua Cheatham to serve in the PRC position of Disadvantaged Business Enterprises.*

*Mr. Kuruvilla nominated Yuki Seda-Kane to serve in the PRC position of Disadvantaged Business Enterprises.*

*Irene Reyes nominated Young Sang Song to serve in the position of Disadvantaged Business Enterprises.*

*Lekha Fernandes nominated Scott Lundt to serve in the position of Disadvantaged Business Enterprises.*

***Lekha Fernandes moved to appoint Scott Lundt to the PRC position of Disadvantaged Business Enterprises, seconded by Steve Russo. Following a roll call vote, the motion failed.***

***Irene Reyes moved to appoint Young Sang Song to the PRC position of Disadvantaged Business Enterprises, seconded by Bruce Hayashi. Following a roll call vote, the motion failed.***

***John Salinas moved to appoint Yuki Seda-Kane to the PRC position (3-year term) of Disadvantaged Business Enterprises, seconded by Mark Nakagawara. A roll call vote approved the motion.***

***Santosh Kuruvilla moved to appoint Joshua Cheatham (2-year term) to the PRC position of Disadvantaged Business Enterprises, seconded by Bobby Forch. A roll call vote approved the motion***

Chair Riley-Hall congratulated the successful applicants and encouraged the other applicants to remain engaged by participating on Board committees.

#### **Private Sector – 1 Position**

Chair Riley-Hall invited applicant, Brian Jewett, to share information on his interest for serving on the PRC representing the Private Sector.

**Brian Jewett** said he serves as a Senior Account Executive at Ameresco, an energy services company in Washington State. Ameresco is prequalified by the Department of Enterprise Services Energy Program, which is another vehicle for alternative contracting. The company typically utilizes energy savings contracting, a Design-Build contract with guaranteed energy savings, performance, and pricing for public entities. He works with local governments, school districts, and state agencies to modernize older buildings to increase energy efficiency to assist the state in achieving its carbon-neutral goal. He has been with the company for approximately six years and previously worked in the residential solar industry and is familiar with contracting, alternative contracting, and Design-Build. He is not as familiar with GC/CM but is familiar with Design-Build and Progressive Design-Build. He is interested in joining the committee to remain up to date on Washington's construction industry and best practices for decarbonization efforts, as well as helping to steer the state for better use of public funds and transparency in construction.

Chair Riley-Hall invited questions from the Board.

Ms. Yang asked the applicant to describe his alternative delivery experience as required by RCW 39.10 for membership on the PRC. Mr. Jewett responded that energy savings performance contracting (ESPC) falls within RCW 39.10. He has overseen a number of Progressive Design-Build procurement and construction projects. Many of the projects were completed for Tacoma Public Schools. He understands the procurement requirements for Progressive Design-Build and the nuances of Design-Build, as well as the elements that overlap of energy savings performance contracting and Design-Build involving risk management, guaranteed price, and risk management and transfer of construction to the contractor rather than to the owner.

Mr. Forch inquired as to Mr. Jewett's role in the cited contracts. Mr. Jewett replied that he oversaw and led the procurement and contracting efforts. The Progressive Design-Build model includes the Request for Qualifications (RFQ), Request for Proposals (RFP), and the interview process. He helped to facilitate those processes within the team to increase project competitiveness, as well as navigating the contract negotiation phase between clients and AMERESCO. He also oversees and follows the project as it is transferred to AMERESCO engineers, construction managers, and commissioning agents who handle the nuances of project construction while remaining involved throughout the project as well as through project closeout.

Chair Riley-Hall asked whether the company utilizes RCW 30.10. Mr. Jewett affirmed that energy savings performance contracting is included in RCW 39.10 under alternative contracting. The company has been prequalified by the

Department of Enterprise Services Energy Program and uses that procurement program to assist public entities utilizing DES. The company engages with OMWBE disadvantaged contractors to meet state and AMERESCO goals using local contractors to benefit the community.

Following additional discussion on the provisions included in RCW 39.10, Mr. Jewett apologized for his incorrect reference to RCW 39.10, as ESPC is codified in RCW 39.35 A. RCW 39.10 is focused on alternative contracts and the PRC process.

Chair Riley-Hall opened nominations for the Private Sector position.

*Keith Michel nominated Brian Jewett for the position of Private Sector on the PRC.*

***Kara Skinner moved to appoint Brian Jewett to the PRC representing the Private Sector for a two-year term, seconded by John Salinas.***

Chair Riley-Hall commented that the applicant's lack of a connection in the use of RCW 39.10 alternative delivery methods for Design-Build, GC/CM, and Progressive Design-Build is concerning. Previously PRC members who lacked experience with alternative delivery often created a burden for other members and during the application review process because of the lack of knowledge or experience in the application of alternative delivery methods.

Ms. Reyes agreed because it has been an ongoing challenge for the PRC during her last two terms on the Board. She asked whether the Board had previously agreed that if only one application was received, additional outreach should be extended to attract additional candidates.

It was noted that the Board has the option to extend outreach and recruitment for any position.

Ms. Yang expressed appreciation for the submittal of the application, as candidates applying to the PRC understand the commitment required for serving. She is concerned, however, that the applicant lacks RCW 39.10 experience which could be problematic for the Board. Single versus numerous applicants is not a relevant issue as it is more about the lack of RCW 39.10 experience. In many circumstances, consultants often lack an understanding of 39.10.

Bruce Hayashi pointed out that if experience is the qualifying factor, the Board is precluding 99.9% of the people in the state from serving on a committee. The number of individuals who have the experience with alternative delivery is very limited. It is important to consider how to involve individuals within the public process because it speaks to the importance of the Board not installing fences and gates to preclude individuals.

Bobby Forch remarked that whether the issue speaks to experience or not, the candidate presented information about specific experience in RCW 39.10. Following additional review, the experience was not specific to RCW 39.10 but tangentially connected to RCW 39.10. The Board has received one application from an individual with tangential experience. He conveyed interest in extending the candidate pool to enable the Board to consider multiple candidates for the position. The question to the applicant about specific experience in RCW 39.10 did not appear to be captured.

Ms. Fernandes asked about the possibility of nominating other candidates if they are present to accept a nomination. Ms. Gow advised that the action would be based on the Board's bylaws and the recruitment process.

Ms. Baker added that a letter of interest is required to afford an opportunity for the Board to review the candidate's experience and follow-up on references. However, the Board has previously appointed another candidate who had qualified for another vacant position.

Vice Chair Michel spoke to the applicant's direct level of experience in RCW 39.10 as it speaks to whether an ESPC project fits within RCW 39.10. He views RCW 39.10 as delivery methods not necessarily defining project types. Funding differences exist between projects and ESPC, as a label for a type of project could fit within RCW 39.10. There may be a perception that it would not fit, which should be an issue with the public agency responsible for the delivery method. The type of work completed by AMERESCO demonstrates experience in performance and execution. The Board received an application from a willing volunteer who has the ability to grow into the role at the PRC. The applicant will receive support and mentoring by PRC members. The applicant could also review some of the nuances of the alternative delivery methods. He believes Mr. Jewett's experience within the AMERESCO team and his willingness to serve should be considered as to his capabilities.

Ms. Yang acknowledged the points addressed by Mr. Hayashi in terms of the lack of experience and challenges within the industry to gain experience. When an individual volunteers, it is also often difficult not to appoint that individual. It is

likely that an argument could be made that there was sufficient ESPC collaboration and risk sharing that could be useful during a PRC applicant review. It is also beneficial for panelists to be a member of a project team. Her concerns have lessened because of the discussion.

Chair Riley-Hall cited RCW 39.10.240 stating that the Board shall by majority vote appoint persons to the committee who are knowledgeable in the use of Design-Build and GC/CM contracting procedures.

Karen Mooseker offered comments as a representative of a public owner that utilizes ESPC. Although, the method is not included in RCW 39.10, it is considered alternative to RCW 39.04 for Design-Bid-Build procurement. The selection of an energy service company is similar to the selection of either a GC/CM or a JOC project as the projects are implemented similar to Design-Build.

Ms. Reyes proposed opening the nominations for consideration of Young Sang Song and Scott Lundt for the position to avoid reopening the recruitment process.

Ms. Gow reminded members of an existing motion on the table.

Chair Riley-Hall noted that Ms. Mooseker's comments as well as her experience with ESPC clearly articulated how ESPC and alternative delivery methods are very similar in terms of process. The Board has received an application from an applicant with knowledge and experience. She asked whether the makers of the motion were willing to withdraw their motion.

***Kara Skinner and John Salinas declined to withdraw their motion.***

Discussion ensued on the experience by the applicant in the solicitations of RFQs, RFPs, and procurement but lacking experience with respect to implementing a project. Ms. Yang offered that one of the most controversial issues surrounding RCW 39.10 is procurement. It is important for PRC members to understand procurement because it often sparks debates in terms of the selection of the GC/CM, subcontractors, and the design builder. The applicant has experience in the procurement process. Based on comments from Mr. Hayashi and Ms. Mooseker, as well as recalling her own experience with ESPC, she believes the applicant would contribute positively to PRC.

Ms. Fernandes differed on Ms. Yang's viewpoint as the Board established a Project Feedback Committee to review the accountability of RCW 39.10 and implementation of projects. The focus of many conversations centered on implementation versus procurement and despite the strong connection between the two, the PRC must consider implementation.

Ms. Reyes reiterated her request for the Board to consider more than one applicant.

Chair Riley-Hall reminded members that the Board has appointed several sole applicants for several other PRC positions. She called for a vote on the motion.

***A roll call vote approved the motion. Ms. Fernandes, Mr. Forch, and Ms. Reyes opposed.***

Chair Riley-Hall congratulated Mr. Jewett on his appointment to the PRC.

*Chair Riley-Hall recessed the meeting at 10:36 a.m. for a break and reconvened the meeting at 10:49 a.m.  
A meeting quorum was confirmed.*

*Robert Blain disconnected from the meeting at approximately 10:58 a.m.*

### **General Contractor – 1 Position**

Chair Riley-Hall identified applicants Justin Vena, Thrall Hershberger, Adam Kulhawik, Sam Comer, Keith Ramick, and Tamara Hartner. Adam Kulhawik left the meeting earlier because of a family emergency. Applicants were invited to share their work experience and interest in serving on the PRC representing General Contractors.

**Justin Vena** reported he serves as the General Manager for Tunista Construction LLC, an Alaska Native-owned general contractor based in Tacoma, Washington. He has worked in the construction industry for 20 years and is a certified DBIA professional. The company is involved in the DBIA community. He began his career in alternative delivery projects. At that time, many construction projects on Joint Base Lewis-McChord were federal Design-Build projects. Over his career, he has completed traditional and bridging Design-Build, federal Design-Build, GC/CM, and Progressive Design-Build projects and served as the project manager for the first Progressive Design-Build school project. His company works with several agencies delivering 39.10 alternative delivery projects such as Seattle Public Schools, other K-12 school districts,

Sound Transit, University of Washington, WSDOT, DES, and Pierce College. He is attracted to alternative delivery methods as an advocate for disadvantaged, woman-owned, minority, and veteran-owned businesses. He was a founding member of the Association of Women and Minority Businesses (AWMB) and is involved with the National Association of Minority Contractors (NAMC), as well as mentoring other DBEs and participating in WSDOT's Sound Transit Mentor Protégé Program. He strives to make people's lives better. Alternative delivery provides more opportunities to make a difference for DBEs and the construction industry as a whole in terms of the collaborative nature of conducting business. Although alternative delivery is intended to be inclusive, there are many large contractors, which limit the perspective. He has served as a small subcontractor for a Design-Build manager on a \$100 million project as the prime contractor. The company is strategically focused on Design-Build and alternative delivery. There are limited opportunities for smaller general contractors in that space and often they are under-represented. He wants to serve as the voice as well as pursuing efforts for legislative changes to provide more opportunities to scale alternative delivery to increase accessibility to contractors of all sizes.

**Thrall Hershberger** reported he is the Area Manager and Vice President for Kraemer North America, a general contractor working primarily on roads, bridges, rail, and marine focused within the Pacific Northwest, Rocky Mountain region, and the upper Northwest. The cumulative qualifications of all applicants applying for the positions are phenomenal. His level of experience is different as well as the type of experience not currently represented on the PRC. All candidates have many years of experience in construction as well as leaders within their businesses or industries. He has worked exclusively in heavy highway and civil projects since the beginning of his career including 20 years of progressively more experience with GC/CM and CM/GC projects and Design-Build, and Progressive Design-Build projects throughout the western states providing a broad scope of experience with different contracting types. Most of his working experience involved operational roles on projects over the last 15 years. He does not have ties to competing organizations or special interest groups. He supports the contracting community, DBIA, and ways for the contracting community to include DBEs and meet other diversity opportunities. He believes his selection would fill a void in PRC membership and would be a valuable member in helping select the most appropriate and economical delivery method for the benefit of Washington taxpayers, as well as help guide the process to gain the most benefits for all types of construction. He asked for the Board's support for appointment to the PRC.

**Adam Kulhawik** previously disconnected from the meeting earlier because of a family emergency. Members were asked to review Mr. Kulhawik's application as a potential candidate.

**Sam Comer**, Vice President, Cornerstone General Contractors, reported the company primarily serves the public sector on mostly alternative delivery projects. He has over 20 years of experience delivering public capital projects across western Washington specific to GC/CM and Progressive Design-Build. He is an associate member of DBIA and a licensed civil engineer in the state. Throughout his career, he was involved in over 35 major capital projects of which 21 were GC/CM delivered, three Progressive Design-Build, and Design-Bid-Build for a total value of \$2 billion in capital projects in the state. Through his depth of experience, he has a strong understanding of RCW 39.10 and its application both statutorily and from a practical perspective. He has worked with many public owners ranging from K-12 school districts, higher education, city municipalities, and counties from the preconstruction process through execution of construction while emphasizing transparency and collaboration between the owner and the contractor to serve the public interest. Beyond delivering projects, he also works to build capacity within the industry. The company is an active member of NAMC, Tabor 100, and supports MBE firms through outreach and one-on-one mentoring and targeted training. As many of the projects are within the education sector, the company views its responsibility to inspire and engage the next generation with most projects hosting "fence talks with students," a student internship program and guest speakers in classrooms and through partnerships with pre-apprenticeship programs to provide real world exposure to the construction industry. Sam is familiar with the PRC meeting process as an active participant in meetings over several years and regularly contributes during the public comment period. He is familiar with the operation of the PRC and its process and understands the importance of balanced and fair evaluation of project proposals. He was invited to offer peer input through the GC/CM Committee on implementation of specific delivery methods within RCW 39.10.

**Keith Ramick**, Project Executive, Kiewit Building Group, Inc., said the company is recognized as a civil and infrastructure contractor. The company is the vertical building division of Kiewit building hospitals, offices, airports, zoos, and museums, etc. The company has operated in the state since World War II when Peter Kiewit built the first barracks at Fort Lewis. He joined the Seattle office in 1995 after graduating from the University of Washington. Prior to joining Kiewit, he owned a small business specialty contracting company in the Tacoma area. He has been with Kiewit for 30 years. During that time, he worked on transportation projects and vertical building projects including the I-405

Kirkland Design-Build project (first Design-Build for WSDOT). The last metric design by WSDOT was the Sunset Interchange project in Issaquah. He also worked on the first two Sound Transit projects in downtown Seattle. He served as the design manager for the Honolulu Light Rail Project in Oahu. He has served at every level in field operations managing budgets, schedules, fair labor practices, and quality and safety. He has served in the company's preconstruction department, as an estimator, preconstruction manager, and design manager for Design-Build projects. Currently, Keith is responsible for evaluating and negotiating contracts with clients and subcontractors. Most of his career has been in Washington with opportunities to support projects across the country working for clients, such as Nike in Portland, and the Honolulu Authority for Rapid Transit, and for the architect for the Capitol in Washington, D.C. Locally he has worked with Washington State University, WSDOT, Sound Transit, King County, City of Seattle, DES, Department of Health and Human Services (DSHS), and several federal agencies. He currently serves on the University of Washington's Construction Industry Advisory Council and is a member of DBIA. Most of the projects have been alternative delivery GC/CM, Design-Build, and Progressive Design-Build, as well as unit pricing and lump sum projects. He is experienced in working with subcontractor partners during the preconstruction phase and during construction. One important project is the Fircrest Nursing Facility, a 120-bed nursing facility in Shoreline, Washington. The project was procured through DES with DSHS as the end user and eventual owner of the facility. The project is a 63/20 procurement model with Kiewit serving as the design builder. He looks forward to the opportunity of giving back to the community.

**Tim Comer** reported he is the father of a family of builders with three sons working in the construction industry, as well as a daughter teaching in some of the schools his family built. He applied for the position because after 50+ years in the business, it is time to pay back as a builder and as a mentor. He had the privilege of assisting several companies starting and growing into successful businesses. He believes his experience would provide the PRC with his expertise to evaluate and help businesses to overcome obstacles, such as constructability, capitalization, and running and building a business. He has experience working on Design-Build and GC/CM projects, as well as Design-Bid-Build projects. One major project was a joint use facility for the Veterans Administration and the U.S. Air Force.

**Tamera Hartner** reported she is a certified DBIA professional and an Executive at Mortenson. The PRC needs to provide guidance and further enhance the quality, efficiency, and accountability of public works and the contracting methods. She would bring an objective perspective because of her experience, energy to improve continuously, and her passion to ensure everyone participates. She has 20 years of experience in alternative delivery of GC/CM, Design-Build, and other projects under RCW 39.10. She cited several recent and impactful projects to include the King County Harborview Bond Program worth \$1 billion that will be instrumental in changing care for the community. She has served her field crews and has advanced as a Design-Build executive for the Harborview Bond Program. She understands the importance of being good stewards of public dollars and believes Progressive Design-Build will ensure that success. She cited David Mortenson as having served as the first President of the DBIA Northwest Chapter and recognized Bill Kent, a DBIA Fellow. The company has successfully delivered projects and sponsors small MWBE businesses and offers internal mentorship programs for small and WBE firms. She is aligned with the values of the Board including respect, purpose, listen to understand, accountability, and inclusion. She believes everyone should have the ability to participate. All projects she has worked on over the last 10 years have met or exceeded OMWBE and CPARB goals. She believes strongly that RCW 39.10 and alternative delivery breaks down barriers for small firms.

Chair Riley-Hall invited questions and comments with respect to the applicants.

Ms. Thaxton clarified for the benefit of applicants that the position was on the PRC rather than a position on the Board.

Ms. Fernandes commented on the depth of experience of each applicant and the difficulty of selecting only one candidate to serve on the PRC.

Following discussion on the relevancy of DBE experience and/or involvement within the community, Chair Riley-Hall shared a copy of the position description for the General Contractor position outlining the requirements for the position. No requirement is included for applicants to be a member of any particular organization or to meet any particular goals. However, the Board has the option to make changes in the future that could include a requirement specific to DBE experience and/or community involvement.

With no further questions, Chair Riley-Hall invited nominations for the position of General Contractor.

*Santosh Kuruvilla nominated Keith Ramick to the PRC position of General Contractor.*

*Robin Strom nominated Tamara Hartner to the PRC position of General Contractor.*

*Irene Reyes nominated Justin Vena to the PRC position of General Contractor.*

*Karen Mooseker nominated Sam Comer to the PRC position of General Contractor.*

Chair Riley-Hall thanked all applicants for submitting an application to serve on the PRC representing general contractors.

With no further nominations, Chair Riley-Hall closed nominations.

***Bobby Forch moved to appoint Sam Comer to the PRC position of General Contractor, seconded by Karen Mooseker. Following a roll call vote, the motion failed.***

***Santosh Kuruvilla moved to appoint Keith Ramick to the PRC position of General Contractor, seconded by Steve Russo. Following a roll call vote, the motion failed.***

***Irene Reyes moved to appoint Justin Vena to the PRC position of General Contractor, seconded by John Salinas. Following a roll call vote, the motion failed.***

***Lekha Fernandes moved to appoint Tamara Hartner to the PRC position of General Contractor, seconded by Robynne Thaxton. Following a roll call vote, the motion carried.***

Chair Riley-Hall congratulated Tamara Hartner for her appointment to the PRC.

#### **COMMITTEE & WORKGROUP REPORTS – Information/Action BE/DBI Committee**

There was no report.

#### **JOC Evaluation Committee**

Action was tabled on pending appointments until the September meeting. Candidates were encouraged to continue participating in JOC Evaluation Committee meetings.

#### **Board Development Committee**

Co-Chair Riley-Hall advised of the departure of Co-Chair Bill Frare from DES. The Board is appreciative of his service to DES, CPARB, and the Board Development Committee. Committee members recently met and recommended converting this Owner position to an Owner-City position and appointing Jessica Murphy with the City of Seattle to assume the Co-Chair position vacated by Mr. Frare.

Additionally, the Board has been tasked by the Legislature to review and provide a recommendation on construction cost escalation for the State of Washington beginning in 2025 as codified in RCW 39.04.154. As the Board's next meeting is in September, the request is to establish a committee tasked with reviewing available data and preparing and forwarding recommendations for the Board to consider at the September meeting.

***Lekha Fernandes moved to establish a committee to meet the requirements of RCW 39.04.154, seconded by Erin Fraser.***

Ms. Yang recommended the committee should include several public owners, several Small Works Roster contractors, labor, and a member from A/E community. She recommended creating the positions and advertising the positions via an email announcing the committee's first meeting.

*Mr. Kuruvilla offered a friendly amendment to include a representative from MRSC to assist the committee with securing data.*

*Ms. Reyes offered a friendly amendment to include creation of the committee with a membership structure as suggested.*

*Ms. Fernandes did not accept the friendly amendment as the MRSC representative should not be a voting member.*

*Robin Strom disconnected from the meeting.*

Chair Riley-Hall called for a vote on the main motion.

***A voice vote approved the motion.***

***Lekha Fernandes moved to accept the list of represented positions for the new committee of two Small Works Roster contractors, two Small Works Roster owners, a representative from the A/E community, a representative for an association representing small and diverse business, and a representative from labor, seconded by Santosh Kuruvilla.***

*Chair Riley-Hall offered a friendly amendment to add other committee members during the committee's first meeting as needed.*

*The makers of the motion accepted the friendly amendment.*

***A voice vote approved the motion.***

***Olivia Yang moved to convert the DES position on the Board Development Committee to a City position and appoint Jessica Murphy to the position, seconded by Linneth Riley-Hall. A voice vote approved the motion unanimously.***

**ADJOURNMENT**

***Olivia Yang moved to adjourn the meeting at 11:55 a.m., seconded by John Salinas II. A voice vote approved the motion unanimously.***

***Staff & Guests***

Eza Agoes, Sound Transit  
Talia Baker, Department of Enterprise Services  
Joshua Cheatham, Furtado & Associates  
Sam Comer, Cornerstone General Contractors  
Tim Comer, Comer General Contractors  
Nancy Deakins, Department of Enterprise Services  
Steve Ellis, Association of Washington Cities  
Curt Gimmestad, Absher Construction  
Thomas Golden, NAC Architecture  
Valerie Gow, Puget Sound Meeting Services  
Tamara Hartner, Mortensen  
Shelly Henderson, Mukilteo School District  
Thrall Hershberger, Kraemer North America, LLC  
Brian Jewett, Ameresco, Inc.  
Dave Johnson, Hoffman Corporation  
Nicholas Jones

Aleanna Kondelis, Hill International  
Scott Lundt, Freeman Lundt  
Monique Martinez, Department of Enterprise Services  
Art McCluskey, WA State Department of Transportation  
Brianna Morin, Association of Washington Cities  
Jessica Murphy, City of Seattle/PRC  
Gina Owens, City of Seattle  
Roe Pulalasi-Gonzalez, Pierce County  
Keith Ramick, Kiewit Building Group, Inc.  
Jon Rose, MRSC  
Young Sang Song, Song Consulting, LLC  
Yuki Seda-Kane, Axiom Consulting & Project Mgmt.  
Ken Simonson, Association of General Contractors  
Jerry Vanderwood, Association of General Contractors  
Justin Vena, Tunista Construction, LLC  
Janice Zahn, State Representative & Port of Seattle