

Capital Projects Advisory Review Board's

Local Government Public Works Study Committee (5418)

Meeting Summary August 6, 2020 (Meeting #4)

1. In Attendance:

Jon Rose (MRSC) Chair

Members: Chris Herman (WPPA), Jane Wall (WSAC), Jolene Skinner (L&I), Keith Michel (Forma Construction), Kristin Hall (Snohomish PUD), Michael Transue (MCA)

Participants: Allan Johnson (DOC), Judy Isaac (MRSC), Sarah Bollard (MRSC), Sarah Erdmann (OMWBE), Rebecca Keith (City of Seattle), Laura Herman (L&I), Tiffany Scroggs (PTAC), Nancy Deakins (DES), Yelena Semenova (DES), Matthew Hepner (CEW)

2. Agenda

- a. Diverse Business Preferences
- b. Understanding Diverse Business Barriers
- c. Discussing Recommendations

3. Participation Ask

- a. Reviewed slide materials

4. Point of Order: Identify Committee Chair

- a. CPARB did not designate a chair and would expect the committee to elect a chair
- b. Committee Chair: Jon Rose, Co-lead: Andy Thompson

5. Prior Discussion Take-Aways

- a. Reviewed slide materials
- b. What is bullet point three from? Discussed that barrier three was from the slides of the previous meeting, not from a point of discussion. May be worded confusing, it's more about the fact that agency are less likely to adopt a goal if it's not mandatory. May need to not call the slide 'prior discussion take-aways' if not based on discussion

6. Diverse Business Preference

- a. Diverse Business Barriers
 - i. Reviewed materials on slide
- b. Certification Barriers
 - i. Reviewed materials on slide
 - ii. Have public owners heard people saying they don't want to be labeled as a disadvantaged business enterprise (quote #3)? In the OWMBE process has an affidavit that makes business claim that they are a disadvantaged, they have heard that that labeled can be negative. PTAC here's the same thing "I don't want to be a victim" or "I am discriminated against, why would I label that way?"
 - iii. If a business is certified by the state, are they a DBE in the same way as federal statute? OWMBE does WBE/MBE certification and contracts with WSDOT to do DBE federal certification. The processes are very similar, but there are some slight differences.

- iv. Does OWMBE have a response to I-200? OWMBE does have aspirational goals despite I-200, etc. Have a value statement and OWMBE should be clearer about value of being certified
- v. What is OWMBE primary mission? OWMBE has sole authority to create certifications for the state (including allowing local government to use it). Local government programs are registration, not certification. OWMBE is specific to women, minority and socially disadvantaged – not small business - like King County. Don't have authority over political subdivisions except to bill for certification
- vi. If a local government wants their local business to have access to certification do they enter a contract with OWMBE? No, unlikely, OWMBE is sole authority to certify.
- vii. City of Seattle program is based on registration but does also collect information on certified firms
- viii. On top of state certification and local government registration, the federal certification program is also different which adds more complexity

7. Agency Barriers

- a. Reviewed slide materials

8. Agency Value Proposition

- a. Reviewed slide materials
- b. Should we be using the term DBE, when we mean M/WBE, DBE, etc? Yes, we can update this
- c. This seems like bias? Yes, these are completely anecdotal and we don't have access to good data to determine whether this is the reality of is this is just bias

9. Competing narratives: DBE Availability

- a. Reviewed slide materials
- b. This kind of data collection would ask local governments to do quite a lot, that's a lot of data to collect. Yes, this would be a discussion around value statements

10. Voluntary DBE encouragements

- a. Reviewed slide materials

11. Diverse Business Inclusion

- a. Reviewed slide materials
- b. The largest projects in the state likely have goals because of the federal requirements, are these diversity goals on all their projects or just an indication of if they have some federally funded projects?
- c. Is this looked at sub-contracting specifically?
- d. How are these diversity goals implemented- is this at the agency level or something worked into contracts for the prime to find appropriate sub-contractors?
- e. Interpreting mandate to be focused on small works roster and limited public works process? So should be looking at participation rates on the small works roster? So there is no historical data on OWMBE participation on limited public works/small works roster process – L&I is just now capturing all of this data, just now have a full year's worth of data.

- f. Are the mentor/mentorship programs come and gone? Not sure, previous discussions with OWMBE have indicated that they existed when mandatory but with mixed results. OWMBE will look into this – did a small study to see best practices from mentor/mentorship programs across the country and are looking into what would be best for our state.
- g. May want to look into New York’s programs (currently have over 20% participation from MWBEs)

12. Recommendations

- a. Improving Access for Diverse Businesses
 - i. Reviewed slide materials
- b. Potential Recommendations
 - i. Reviewed slide materials
 - ii. Is there not a small business definition in statute? Not sure, will continue to research (micro-business is defined)
 - iii. WSDOT is doing a bonding study and may have some recommendations that are helpful
 - iv. May need to focus more on specific barriers for small and limited public works process like mentioned in the report
 - v. Maybe look at the barriers like reducing in paperwork
 - vi. There are lots of studies happening right now, so to the legislature this report could be more specific
 - vii. Why did the City of Seattle get rid of the small works roster (not just mention that they did it but why they made that decision) and can we get data on if that helped?
 - viii. Maybe a mentor program could be helpful for those folks who are unable to become primes on contracts (like the small works roster requires)? Most of the OWMBE contractors are prepared to be sub-contractors not primes
 - ix. Forman Construction has been a JOC contractor with the City of Seattle and they have seen more inclusion in the JOC process than the small works roster process. Increasing inclusion is really through sub-contractor positions and helping prime contractors
 - x. Could be helpful to have a consistent certification (with MOUs instead of separate registrations) and a clear small business definition, less helpful to throw a mandate into statute

13. Wrap Up Discussion

- a. Re-reviewed Participation Ask slide
- b. Making recommendations in a CPARB report is something that needs to come from CPARB – the board will need to adopt them. CPARB will have final review of the report and recommendations
- c. If recommendations go beyond scope, it may make the conversation muddled and confused. Although the solutions do need time for development, it was not the charge of this committee. There are so many studies happening right now.
- d. Point of order – committee members need to be approving meeting minutes. Next meeting will approve meeting minutes.

- e. May need to correct meeting minutes to ensure committee members are called out at the beginning of all meeting notes.