

CAPITAL PROJECTS ADVISORY REVIEW BOARD

**SPECIAL MEETING**

**Via Zoom**

**Minutes of Meeting**

June 9, 2022

<b>MEMBERS PRESENT</b>	<b>REPRESENTING</b>	<b>MEMBERS ABSENT</b>	<b>REPRESENTING</b>
Janice Zahn ( <i>Chair</i> )	Ports	Bobbie Forch, Jr.	Disadvantaged Businesses
Bill Dobyms ( <i>Vice Chair</i> )	General Contractors	Bruce Hayashi	Architects
Corey Fedie	Public Hospital Districts	Matthew Hepner	Const. Trades Labor
Senator Bob Hasegawa	Senate (D)	Mike Shinn	Specialty Contractors
Janet Jansen	State Government	Rep. Mike Steele	House (R)
Santosh Kuruvilla	Engineers	Lisa van der Lugt	OMWBE
Erik Martin	Counties	Senator Judy Warnick	Senate (R)
Keith Michel	General Contractors		
Karen Mooseker	School Districts		
Mark Nakagawara	Cities		
Irene Reyes	Private Industry		
Mark Riker	Const. Trades Labor		
Linneth Riley Hall	Transportation		
John Salinas II	Specialty Contractors		
Kara Skinner	Insurance/Surety Industry		
Representative Steve Tharinger	House (D)		
Robynne Thaxton	Private Industry		
Olivia Yang	Higher Education		

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

**CALL TO ORDER & ROLL CALL FOR QUORUM**

*Chair Janice Zahn called the Special Capital Projects Advisory Review Board (CPARB) virtual meeting to order at 8:00 a.m.*

A roll call of members established a meeting quorum.

**WELCOME NEW BOARD MEMBERS & INTRODUCTIONS**

Chair Zahn thanked Senator Hasegawa, Representative Tharinger, and Board members for attending the special meeting to improve public works by ensuring diverse, inclusive, and equitable contracting and enabling more women, minority, and veteran-owned businesses access and success in public works contracting within the state. The purpose of the special meeting is to vote on and publish the Board's Report in response to Senate Bill 5032 Section 20.

**INVITATION FOR PUBLIC COMMENTS – *Information***

Vice Chair Bill Dobyms invited public comments.

There were no public comments.

**BOARD MEMBER OPENING THOUGHTS/SHARED COMMITMENTS**

Chair Zahn described how the Board's work over several meetings developed a series of Shared Commitments of *Respect, Purpose, Listening to Understand, Accountability, and Inclusion*. She is proud of the work by the Board as that work is reflected and grounded in the Shared Commitments, as well as by the efforts by Business Equity/Diverse Business Inclusion Committee Co-Chairs Santosh Kuruvilla and Olivia Yang, the writers of the Report, and others who invested time in developing the Report for the Board's consideration.

Chair Zahn invited members to share opening thoughts:

Janice Zahn: Grateful for the work and commitment of the Board and Committee and to all volunteers who contributed hundreds of hours to produce the Report.

Bill Dobyms: Having attended some of the committee meetings, he was amazed at the amount of work and effort involved in developing the end product. He is thankful to everyone who participated in developing the Report as it was difficult work.

- Senator Hasegawa: Grateful as well. He thanked Chair Zahn for her leadership and Mr. Kuruvilla and Ms. Olivia for their leadership on the committee.
- Santosh Kuruvilla: Appreciative, as he has learned much from the Board and from members. He is appreciative for all the learning opportunities that have been presented.
- Karen Mooseker: Agreed with previous comments and grateful to the committee for the work they completed. She is impressed by the Report and the product that was produced.
- Mark Nakagawara: Appreciative of the work that has been completed on the Report.
- Irene Reyes: Extremely grateful but also excited and looking forward to what is next.
- Mark Riker: I am ready.
- Linneth Riley Hall: I am ready.
- John Salinas II: Grateful and thankful for the efforts of so many people who contributed to the document.
- Kara Skinner: Thankful and grateful but not for all the work completed but for allowing her to be a part of the process as it meant much to her.
- Erik Martin: Feels honored as a new member of the Board and having his name on the Report.
- Keith Michel: Is also thankful and proud of the Report, specifically because through the year of participating and contributing to the Committee's work his expectation in the beginning as compared to the final product exceeded what he originally envisioned. He is especially happy to see how comprehensive the Report is because it reflects many contributions.
- Rep. Tharinger: The Legislature often passes bills with policy directives and often the work is completed by others, and in this case, it was the Board. It is likely when members first joined the Board they did not envision completing this type of work, as the work was outside of contracting and construction and likely outside everyone's comfort zone. He is very appreciative of what the Board has accomplished both in the document and what it means moving forward for public works within the state and the work that will engender inclusivity. He thanked everyone for their work.
- Robynne Thaxton: Is impressed about everything as the Report is a fantastic report that is going to be very helpful not only in the state but also across the country as more people consider how to develop best practices. Great job and thank you so much!
- Olivia Yang: Is humbled to have been a part of the BE/DBI Committee and to work with Co-Chair Santosh and subcommittee co-chairs. She is grateful to Maja Huff and Rachel Murata for bringing the Report across the finish line. It has been a great learning experiences and she is grateful for having been part of it. Thank you.

Chair Zahn said that although everyone understands the amount of work completed by the committee, during her participation within the subcommittees, the process spoke to the length of time to bring a group together and create a work product that required additional work over the last several months to ensure the initial work product produced as "good" ended up as an "amazing product."

*Corey Fedie joined the meeting at 8:15 a.m.*

Mr. Fedie thanked members for inviting him to be a member of the Board and for assisting him in understanding the charge. He is appreciative of conversations with many members individually and is excited to be part of the Board.

#### **SPECIAL MEETING TOPIC**

#### **Finalize and Vote On BE/DBI Committee's Response to the 2021 SB5032 Section 20 Requested Report To Legislature – *Discussion/Action***

Mr. Kuruvilla reported that last year, the Board directed the Business Equity/Diverse Business Inclusion Committee (BE/DBI) to respond to Senate Bill 5032 Section 20. Last summer, the committee began organizing and established two subcommittees. The Best Practices Subcommittee was chaired by Aleanna Kondelis and Brenda Nnambi. The External Stakeholder Engagement Subcommittee was chaired by Irene Reyes and Linda Womack. The subcommittees worked over the next seven months collecting and documenting information. Following efforts by the subcommittees, the committee began drafting the Report. He acknowledged Maja Huff and Rachel Murata for compiling the Report. He thanked Olivia

Yang with Washington State University and Lisa van der Lugt with the Office of Minority and Women Business Enterprises (OMWBE) for enabling Ms. Huff and Ms. Murata to spend time working with the committee to draft the Report.

Mr. Kuruvilla reviewed a synthesis of the Report addressing Section 20 of Senate Bill 5032. During the review and development process for the Report he appreciated working with Ms. Yang, as he learned much from her and her wisdom in guiding the development of the Report.

Mr. Kuruvilla introduced Ms. Huff and Ms. Murata to provide an overview of the Report.

Ms. Murata reported on one major change to the Report since its initial release to the Board. Based on recent feedback on a specific paragraph that speaks to Washington being an incredibly diverse state, some language in the section inferred to the reader the possibility of the state differentiating some of goals for Eastern Washington because of the difference in public works between east and west areas of the state. Language was added clarifying that although the circumstances might be different in Eastern Washington, all areas of the state have the same goals and will contribute to the same type of work.

Ms. Murata and Ms. Huff reviewed the contents of the Report:

- Executive Summary
- Small and Diverse Business as First Choice – This section serves as the first tier of information with an expanded conversation on small and diverse businesses, which examines the accountability and the culture required for laying the foundation for the purpose of the Report. Each chapter examines the high-level issues relating to *Access to Opportunities, Access to Capital, and Access to Training*. Each section within each chapter examines what various groups involved in public works can pursue and consider for each of the three topics.
- A section on potential legislative changes.
- Resources and Reference Materials Section – A recent change to the section condensed the section by including links to references and reports. In some cases, reference sources are linked to the CPARB website

Mr. Kuruvilla cited an illustration on page 7 that speaks to the intent of the Report. In cooperation with the committee, the lens of the Report includes a culture section that lays the foundation for promoting small businesses first with accountability and attainability threaded throughout the Report.

Ms. Yang said the experience was very rewarding and it is heartwarming to witness how all the voices came together to tackle sensitive issues.

Ms. Riley Hall commented on the impressive comprehensiveness of the Report. She cited language on page 25 that speaks to Sound Transit and the Washington State Department of Transportation (WSDOT) and questioned whether the reference implies only those two agencies and excludes other transit/transportation agencies. She asked about the possibility of rephrasing the language to reflect, “The group’s the Board represents, such as in partnership with transit agencies.” The current language speaks to the partnership with the Minority Business Development Agency (MBDA) with WSDOT and Sound Transit. Mr. Kuruvilla said he believes the reference speaks to the two agencies because those agencies have embarked on capacity building mentorship programs. Ms. Yang said the intent of the language was to refer to MBDA as a case study of what could be accomplished and that MBDA’s primary sponsors are WSDOT and Sound Transit. The language is intended to reflect an example rather than excluding other agencies. Both agencies have experienced success by embarking on the programs. Ms. Riley Hall acknowledged the explanation.

Chair Zahn invited additional comments and possible edits to the Report. She suggested the Board should enable Ms. Huff and Ms. Murata to complete final edits from the Board’s discussion and feedback. The Board agreed with the recommendation.

Discussion ensued on language citing only WSDOT and Sound Transit. Chair Zahn noted that the Port of Seattle has engaged in a number of partnerships for capacity building, and she is unsure whether MBDA is one of the agencies. She suggested adding language that speaks to “for example.” Ms. Huff offered to follow-up to confirm whether the two

agencies are the only ones utilizing the capacity building mentorship program. Ms. Murata noted that the website speaks to the program as the “WSDOT and Sound Transit Capacity Building Mentorship Program.”

Chair Zahn noted the change within the Executive Summary included the addition of a sentence about owners setting the tone for culture and that all team members have a role in living out that culture. Another sentence speaks to accountability within the Executive Summary recognizing that in many cases, readers may only read the Executive Summary. It was important to ensure it was clear that both culture and accountability are important aspects of this work.

Prior to acting on a motion to approve the Report, members were invited to provide any comments or feedback on the Report:

Mark Riker noted that while everyone is appreciative of the work that has been done, this is the beginning and there will be much work to make this actually happen, which is when things can get lost. It is important to stay committed to see that the challenges are addressed.

Linneth Riley Hall inquired as to the next step after submittal of the Report in terms of the charge of the Business Equity/Diverse Business Inclusion Committee and the Board’s charge to help support the efforts.

*Janet Jansen joined the meeting.*

Chair Zahn reviewed next steps in each of the sections on *Access to Opportunities*, *Access to Capital*, and *Access to Training*. Each section includes suggested legislative changes. One of the first steps after submittal of the Report to the Legislature is a commitment to form a committee to develop some proposed legislation.

Ms. Murata outlined next steps within the three sections:

***Access to Opportunities:*** A number of recommendations have been submitted to create programs to support small businesses; however, a codified definition of what constitutes a small business is lacking. The section does not offer a specific legislative recommendation but cites existing definitions of small businesses and recommends a legislative change to create a unified definition of small business.

***Access to Capital:*** Recommended changes surround prompt payment barriers with no specific recommendation offered. The section also includes a reference to create a state bank.

***Access to Training:*** Because of the range of training topics, it can be daunting to locate training and understand which training opportunity would be appropriate for a business. The recommendation is to create a group to provide a central access point of training resources and collaborate to identify gaps and overlaps in different trainings, as well as establishing some performance measures to identify the most effective trainings with the ultimate outcome of creating some centrally available information so small business owners can access training.

Chair Zahn acknowledged a message from Mr. Riker to include a labor representative to serve on the committee tasked with developing proposed legislation for the 2023 session.

Chair Zahn thanked Senator Hasegawa for offering the suggestion of forming a state infrastructure bank as a concept that could be further explored.

No further final comments were contributed by Board members.

Chair Zahn recommended adding within the list of acknowledgements, the current membership of the Board as the Report is a work product from CPARB through the Business Equity/Diverse Business Inclusion Committee. The Board supported the recommendation.

***Robynne Thaxton moved, seconded by Irene Reyes, to approve the Capital Projects Advisory Review Board Business Equity/Diverse Business Inclusion Committee REPORT TO LEGISLATURE in response to Section 20 of SB 5032 June 9, 2022, with the changes as recommended.***

*Bill Dobyms rejoined the meeting at 8:47 a.m.*

***A roll call vote approved the motion unanimously:***

***Santosh Kuruvilla moved, seconded by Irene Reyes, to formally dissolve the Business Equity/Diverse Business Inclusion Committee effective immediately. A voice vote approved the motion unanimously.***

Chair Zahn thanked committee members and individuals who participated in developing the Report that will improve the construction industry in the state.

Ms. Reyes inquired as to the process for communicating to the minority business community the next steps. The community continues to experience barriers and challenges and some action is required quickly. It would be helpful to communicate next steps to the community.

Chair Zahn responded that she plans to work with staff on the next steps to pursue outreach and communicate the completion of the Report. Board leadership plans to communicate with the Legislature about the completion of the Report and the proposed potential legislative changes.

Ms. Baker advised that she is working with Nancy Deakins and DES Executive Management on the outreach process. The next action includes working with Ms. Huff and Ms. Murata on the final Report followed by discussions on the submittal letter for review by DES prior to forwarding to the Legislature, in addition to working with the Chair to draft the CPARB cover letter. After submittal to the Legislature, the information will be posted on the CPARB website (background and reference page). She offered to forward an email to groups to assist in communicating information about the availability of the Report.

Ms. Reyes stressed the importance of working quickly on any policy changes that occur while legislative changes are coordinated through the Legislature.

*Representative Tharinger disconnected from the meeting.*

Chair Zahn commented that the Report highlights issues that can be accomplished quickly that do not require legislative changes. It is important to share many of the best practices broadly along with working on proposed legislative changes. Similar to the previous work on Design-Build Best Practices and Job Order Contracting Best Practices, the Board may want to consider establishing a plan for publicizing the existence of the document and/or coordinate training on some of the best practices to increase awareness to both owners and contractors. She suggested deferring the recommendation as a parking lot item for review at the September meeting to strengthen both outreach and the usage of different best practices.

Ms. Riley Hall added another recommendation of members compiling a list of organizations each member works closely with to present the Report, such as a PowerPoint presentation reflecting the key points of the Report between now and the September meeting to ensure no loss of momentum.

Ms. Reyes cited several organizations that could receive the presentation. One recently formed organization is the Association of Women and Minority Businesses.

Chair Zahn offered to pursue a conversation with Ms. Riley Hall and Ms. Reyes for restarting the Education Outreach Committee and possibly scheduling future presentations to various organizations. Ms. Reyes and Ms. Riley Hall supported the recommendation. Chair Zahn said the group will prepare a proposal for the Board's consideration in September while stressing the importance of all members communicating the availability of the Report to other organizations.

**ADJOURNMENT**

***With there being no further business, Chair Zahn adjourned the meeting at 9:00 a.m.***

**Staff & Guests**

Talia Baker, Department of Enterprise Services

Shani Bauer, Staff, Washington State Senate

Michael Bezanson, Staff, Washington State Senate

Nancy Deakins, Department of Enterprise Services

Valerie Gow, Puget Sound Meeting Services

Shelly Henderson, Mukilteo School District

Maja Huff, Washington State University

Kelci Karl-Robinson, Legislature

Aleanna Kondelis-Halpin, Hill International

Jen Masterson, Office of Financial Management

Art McCluskey, WSDOT

Rachel Murata, OMWBE

Brenda Nnambi, Sound Transit

Cathy Robinson, City of Lynnwood

Melissa Van Gorkom, Senate Committee Services

*Prepared by Valerie L. Gow, Recording Secretary/President*

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