

**Capital Projects Advisory Review Board  
Expansion Subcommittee Meeting, Draft Meeting Notes  
“Get On It” Conference Room, Kilroy Building, Sea Tac  
October 6, 2006, 9:00 – 11:00 a.m.**

**Initial if**

<b>Present</b>	<b>Name</b>	<b>Organization</b>	<b>Phone</b>	<b>e-mail</b>
<b><i>Subcommittee Members</i></b>				
OY	Olivia Yang (Lead)	UW, Capital Projects	206-221-4224	<a href="mailto:oyang@u.washington.edu">oyang@u.washington.edu</a>
BR	Butch Reifert	Design Industry	206-441-4151	<a href="mailto:breifert@mahlum.com">breifert@mahlum.com</a>
EK	Ed Kommers	Mechanical Contractors	206-612-7304	<a href="mailto:ekommers@comcast.net">ekommers@comcast.net</a>
DJ	Dave Johnson	Wa. State Bldg. & Construction Trades Council	360-357-6778	<a href="mailto:DJIW86@aol.com">DJIW86@aol.com</a>
JL	John Lynch	General Administration	360-902-7227	<a href="mailto:jlynch@ga.wa.gov">jlynch@ga.wa.gov</a>
RE	Rodney Eng	City of Seattle	206-684-8241	<a href="mailto:rodney.eng.@seattle.gov">rodney.eng.@seattle.gov</a>
Absent	Michael Mequet	Port of Seattle	206-835-7637	<a href="mailto:mequet.m@portseattle.org">mequet.m@portseattle.org</a>
NH	Nora Huey	King County	206-684-2049	<a href="mailto:norahuey@metrokc.gov">norahuey@metrokc.gov</a>
Absent	Tom Peterson	Hoffman Construction	206-286-8697	<a href="mailto:tom-peterson@hoffmancorp.com">tom-peterson@hoffmancorp.com</a>
Absent	Tom Balbo	AGC	206-767-3810	<a href="mailto:tomb@fergusonconstruction.com">tomb@fergusonconstruction.com</a>
AP	Ashley Probart	Assoc. of Wash. Cities	360-753-4137	<a href="mailto:ashleyp@awcnet.org">ashleyp@awcnet.org</a>
LB	Larry Byers	Contracts Bonding & Insurance Company	206-628-7221	<a href="mailto:larryb@cbic.com">larryb@cbic.com</a>
DG	Dick Goldsmith	Assn of WA Hospital Districts	206-216-2528	<a href="mailto:richardg@awphd.org">richardg@awphd.org</a>
DL	Dick Lutz	Centennial Cont.	360-867-9443	<a href="mailto:dicklutz@comcast.net">dicklutz@comcast.net</a>
LS	Larry Stevens	MCA/NECA	253-212-1536	<a href="mailto:lwstevens@wwdb.org">lwstevens@wwdb.org</a>
RB	Rodger Benson	MA Mortenson	425-895-9000	<a href="mailto:Rodger.benson@mortenson.com">Rodger.benson@mortenson.com</a>

<b><i>Other Attendees</i></b>				
ND	Nancy Deakins	General Administration	360-902-8161	<a href="mailto:deakink@dshs.wa.gov">deakink@dshs.wa.gov</a>
Absent	Ginger Eagle	Wa Public Ports Assoc	360-943-0760	<a href="mailto:geagle@washingtonports.org">geagle@washingtonports.org</a>
MT	Michael Transue	AGC	253-223-2508	<a href="mailto:cmjtransue@comcast.net">cmjtransue@comcast.net</a>
RP	Robynne Parkinson	Groff/Murphy Design Build Institute of America	206-678-9800	<a href="mailto:rparkinson@groffmuphy.com">rparkinson@groffmuphy.com</a>
Absent	Kathryn Leathers	House of Reps	360-786-7114	<a href="mailto:Leathers.Kathryn@leg.wa.gov">Leathers.Kathryn@leg.wa.gov</a>

Over →

***Other Attendees (continued)***

Absent	Marsha Reilly	House of Reps	360-786-7135	<a href="mailto:Reilly.marsha@leg.wa.gov">Reilly.marsha@leg.wa.gov</a>
DS	Diane Smith	Senate Gov Ops	360-786-7410	<a href="mailto:Smith.diane@leg.wa.gov">Smith.diane@leg.wa.gov</a>
Absent	Duke Schaub	AGC-Washington	360-352-5000	<a href="mailto:dschaub@agc.wa.com">dschaub@agc.wa.com</a>
Absent	Stan Bowman	AIA/WA	360-943-6012	<a href="mailto:bowman@aiawa.org">bowman@aiawa.org</a>
JM	Julie Murray (formerly Sexton)	WA Assoc of Counties	360-753-1886	<a href="mailto:jmurray@wacounties.org">jmurray@wacounties.org</a>
BA	Bob Abbott	Laborers Dist Council	425-741-3556	<a href="mailto:rabbott@nwlaborers.org">rabbott@nwlaborers.org</a>
DS	Denise St. Harm	Northshore School Dist KC School Coalition	206-623-7580	<a href="mailto:denisess@prestongates.com">denisess@prestongates.com</a>
BW	Ben Wolters	City of Kent	253-856-5703	<a href="mailto:bwolters@ci.kent.wa.us">bwolters@ci.kent.wa.us</a>
DL	Doug Levy	Cities of Kent, Everett, Federal Way, Puyallup	-----	-----
SL	Syd Locke for Searetha Kelly	GA	360-902-7941	<a href="mailto:kellysj@dshs.wa.gov">kellysj@dshs.wa.gov</a>

**Meeting Notes**

Olivia Yang led the meeting and called the meeting to order at 9:05 am. The subcommittee focused on job-order contracts, project & owner criteria, and the cost threshold for projects.

Additional stakeholders were invited to the meeting to discuss JOC, but they did not come. Invitations were extended to Gary Smith, David Sharm, and Dan Lincoln.

John Lynch suggested that although it is difficult to come to consensus on every controversial point, all the issues should be addressed in one bill, rather than two bills.

Diane Smith said that two bills could be done but it wouldn't be ideal. She added that once the legislative session starts then the committee couldn't count on as much support from legislative staff because their work load increases greatly.

Dick Lutz said that two or more bills would probably be more difficult to pass due to the great number of bills that face the Legislature. One major bill would be easier to pass rather than two or more smaller bills that divide the issues up piecemeal. No one spoke in favor of two or more bills during this discussion.

Dave Johnson said that smaller contractors don't want to be shut-out of the bidding process and that some of the "smaller" jobs are not small to some subcontractors. Those contracts are important to their business. There is a perception among some small subcontractors that the same subs seem to get almost all the business. He was concerned about public notification and how subcontractors can link up with JOC. Mr. Johnson wanted safeguards to ensure that contractors are not repeatedly using the same subs.

Mr. Lynch offered to provide Mr. Johnson with information to show that the smaller contractors are indeed getting work.

Mr. Johnson welcomed that, but he emphasized that the system itself be set up to guard against possible future abuses. Things may be fine now, but we shouldn't have to always trust that people are acting with integrity. The system should prohibit abuses.

Ed Kommers said that subcontractors are divided on the job-order contract issue.

Dick Goldsmith said that job-order contract information can be better shared so no one gets shut out of the bidding process.

Michael Transue wanted to look more at Section 402 of the draft legislation. There should be a way to give public notice that satisfies all parties.

Rodney Eng said there will be a central website location for information. However if we change Section 402 (3) line 23-24 "legal newspaper of general circulation..." then the newspaper community would likely be alerted and probably opposed to the change.

Mr. Lynch suggested that large e-mail distribution lists should be set up to provide quick notification to interested parties regarding job order contracts.

Mr. Johnson said that contractors and owners should have information available to show which subs they are using, the number of contracts and subs, and relevant financial information. There needs to be transparency to ensure trust.

Nora Huey asked what, if anything, can CPARB really do if there are abuses? What enforcement powers does CPARB have?

Mr. Lutz said that CPARB can stop giving violators any future work.

Mr. Eng said that the State Auditor will determine if there are abuses, not CPARB. The information collected is mainly to give CPARB some direction for the future.

JOC task force: Ms. Yang asked that Mr. Johnson, Mr. Lynch, Mr. Transue, Mr. Lutz, and Mr. Kommers or Mr. Stevens form a JOC task force and work for a month on these issues. Mr. Lynch will report back at the next meeting.

Nancy Deakins suggested that if progress isn't made, then the job-order contract notification and award section of the draft bill stay "as is".

The discussion turned to Section 106 of the draft bill. Mr. Eng asked, "What are the differences between (a) and (d) in Section 106 (1)? Mr. Eng advocated that more flexibility needs to be incorporated into the bill. For example, if a project really needs to be finished by a specific date, it should be allowed to go forward. If a city hall or hospital project needs to be finished quickly then we shouldn't stand in the way. It's their money to spend as they deem necessary. Mr. Eng added that in Section 106 (1), (a) and (b) should not be addressed by the Project Review Committee; (c) and (d) are sufficient.

The question still hadn't been resolved from previous meetings about whether there should be a "floor" in addition to the \$10 million threshold in Section 106 of the draft bill. (The \$5 million dollar floor was previously removed from sections 201 and 301 and there was still a question of whether the intent behind the draft bill was that only projects of

\$10 million or more are appropriate for the review and comment / review and approve procedures.)

Dick Goldsmith said that a floor didn't matter. Mr. Eng said that the \$10 million threshold is a big problem in the bill. Mr. Johnson disagreed, saying that at some point, people have to be protected from themselves. Sometimes people are incompetent and there needs to be something in place to guard against that. There also needs to be a \$10 million threshold also to keep things from going too fast and putting too much pressure on the Project Review Committee.

Roger Benson said that in his opinion, public owners are usually very competent and they actually need more flexibility, not less.

Ms. Huey suggested that Section 106 (a) and (b) be combined.

Mr. Kommers said that the \$10 million threshold is a problem with many of the people he has talked with.

Mr. Transue said that (relating to GC/CM only) there could be a \$5 million floor and a \$10 million threshold. Any public owner must get approval for anything over \$5 million, not for anything under that. Ms. Yang asked if the GCCM 5-10 also applies to Design Build. Mr. Transue said "probably".

Mr. Eng will offer a rewrite of Section 106. Mr. Eng's draft and Ms. Deakins draft will be presented to CPARB.

Experienced Owner issues:

Ben Wolters, the Economic Development Coordinator with the City of Kent attended the meeting in order to let the committee know that Kent wants to use the GC/CM process quickly. They are going forward with a \$30 million project, the Kent Events Center, and they have a deadline of October 2008. He stressed that GC/CM gives Kent the flexibility to finish the project on time.

Doug Levy, a contract lobbyist who represents five cities in the Puget Sound area, says that some cities have problems with the draft bill. For one, the 70,000 population threshold is not a good indicator of the sophistication of a city to pull off a project. Some cities with smaller populations have the expertise. Some cities also have a problem with the experience requirement of two projects. Why two? There are already safeguards in the law. He suggested that this bill is trying to fix a problem that doesn't exist.

Definition of public bodies: Mr. Eng was also concerned with the definition of "public bodies". It leaves out PUDs, PFDs, K-12, and other entities. The definition of "existing authority" probably isn't sufficient.

A motion was made and seconded to have a \$5 million floor - \$10 million threshold in the bill. The vote was four in favor, six opposed, and three not voting.

A motion was made and seconded to include in the bill the requirements of "two-plus graduation and x years shelf life". The vote was eight in favor, four opposed, and one abstention.

The meeting adjourned at 12:16 pm.