

**Capital Projects Advisory Review Board
Industry-Wide Issues Subcommittee
Northwest Carpenters Hall, Kent
March 2, 2007, 12:00 p.m. – 2:00 pm
Membership List/Sign In Sheet/Final Amended Meeting Notes**

Initial if Present	Name	Organization	Phone	e-mail
Attendees				
Absent	Dave Johnson	WA St Bldg & Construction Trades Council	360-357-6778	DJIW86@aol.com
Absent	Dan Absher	Absher Construction	253-845-9544	dra@abshernw.com
Absent	Butch Reifert	Design Industry	206-441-4151	breifert@mahlum.com
Absent	Jerry Schlatter	WSU	509-335-5571	schlatt@wsu.edu
EK	Ed Kommers	Mechanical Contractors	206-612-7304	ekommers@comcast.net
Nancy Deakins for	John Lynch	General Administration	360-902-7227	jlynch@ga.wa.gov
MIM	Miriam Israel Moses	REBOUND, A Building Trades Organization	206-441-0455	MIMoses@rebound.org
TP	Tom Peterson for Lyle Martin	Hoffman Construction	206-286-6697	Lyle-martin@Hoffmancorp.com
JHR	Juan Huey-Ray	OMWBE (for Carolyn Crowson)	360-704-1188	JHuey-Ray@OMWBE.WA.GOV
MP	Mike Purdy	UW	206-221-4235	mpurdy@u.washington.edu
NH	Nora Huey	King County	206-684-2049	Nora.huey@metrokc.gov
Absent	Julie Murray	WA Assoc of Counties	360-753-1886	jmurray@wacounties.org
JA	John Ahlers	Short Cressman Burgess	206-682-3333	jahlers@ac-lawyers.com
Absent	Rick Slunaker	Associated General Contractors	360-352-5000	rslunaker@agcwa.com
Absent	Dan Vaught	School Districts Project Review Board	425-489-6447	dvaught@nsd.org
MM	Michael Mequet	Port of Seattle	206-835-7637	Mequet.m@portseattle.org
Absent	Janice Zahn	Port of Seattle	206-728-3798	Zahn.j@portseattle.org
Other Attendees				
For John Lynch	Nancy Deakins	General Administration	360-902-8161	deakink@dshs.wa.gov
Absent	Ashley Probart	WA. Assoc. of Cities	360-753-4137, ext. 133	ashleyp@awcnet.org
Absent	Dick Lutz	Centennial Cont.	360-867-9443	dicklutz@agcwa.com

	<i>Other Attendees (continued)</i>			
Absent	Ginger Eagle	WA Public Ports Association	360-943-0760	geagle@washingtonports.org
Absent	Mac Nicholson	Senate Government Operations Lead Staff/Counsel	360-786-7410	Nicholson.mac@leg.wa.gov
Absent	Marsha Reilly	House State Government Committee Research Analyst	360-786-7135	Reilly.marsha@leg.wa.gov
Absent	Michael Transue	Associated General Contractors	253-223-2508	Cmjtransue@comcast.net
PB	Paul Berry	CM Consultant and Representative of CMAA (Construction Management Association of America)	206-772-1772	Pnberry1@earthlink.net
Absent	Stan Bowman	AIA WA Council	360-943-6012	bowman@aiawa.org
Absent	Thomas Kuffel	King County	206-296-9015	Thomas.kuffel@METROKC.GOV
Absent	Bob Abbott	Laborers Dist Council	425-741-3556	RAbbott@nwlaborers.org
Absent	Brian Sweet	Port of Seattle	206-248-4846	Sweet.b@portseattle.org
Absent	Dorcas Nepple	Port of Tacoma	253-383-9414	dnepple@portoftacoma.com
Absent	John Littel	Northwest Carpenters	206-465-9730	jlittel@nwcarpenters.org
Absent	Larry Stevens	MCA/NECA	253-212-1536	lwstevens@wwdb.org
Absent	Carolyn Crowson	OMWBE	360-753-9679	carolync@OMWBE.WA.GOV

MEETING NOTES

Items for Discussion

- Set agenda for what we want to look at for the 2008 Legislative Session
- Look at which items other subcommittees can look at

Potential Issues to Consider

Item 1: Notice Provision (Mike M. Johnson) – Top Priority

Mr. Ahlers indicated that the schools and port districts have something too, but it has no bill number and has not gone through yet. He stated that there is lots of opposition, General Administration and Transportation want to keep the standard the way it is. Mr. Ahlers suggested that perhaps if a public owner has a prejudice standard in their contract than a code provision would not apply. Mr. Ahlers indicated

that AGC would like to see Owners work together regarding the prejudice standard in specifications.

This issue will be the subject of our next meeting in April. Meeting will include a mini presentation by AGC representative, maybe Mike Transnue, and four or so Owner representatives, who will outline each stakeholder's interests and concerns, how current proposed language hinders or aid the concern. AGC has produced a white paper on the issue and it is available on the AGC webpage. Subcommittee anticipates that it may take a number of meetings to reach compromise but believe it is possible if all parties are interested in resolving the issue.

Owners will have a prep meeting, likely the week of March 19th, to prepare for the April meeting. Ms. Huey will set up the meeting. Hopefully the location will be the Northwest Carpenter facility in Kent. Industry-wide subcommittee would like maximum participation by owners.

Item 2: Appropriate Contracting Laws

Subcommittee is unaware of this issue. Ms. Huey didn't get a chance to discuss this with Julie Murray. Association of Cities and Counties previously indicated they would provide written document on the issue. Issue is tabled for now.

Item 3: Reject All Bids

Mr. Kommers indicated that this is not a 2008 priority.

Items 4 & 7: GC Liability for (a) Prevailing Wage Deficiency of Subcontractors & (b) Trust Fund Contributions for Defaulting Subcontractors. – 2008 Priority

Mr. Ahlers explained that there are two areas where general contractors maybe held responsible for a subcontractor's failure to pay prevailing wages and trust fund payments. AGC would like some mechanism so that general contractors are given notice or some ability to deal with the issue in a timely manner. Subcommittee agreed this is an important issue to look into and try to find some sort of equitable process.

Item 5: Apprenticeship Utilization

Ms. Huey will check in with Mr. Johnson to determine if this is still an issue. Ms. Moses stated that the port and school district bills are still traveling.

Item 6: Subcontractor Bid Listing Statute RCW 39.30.060

Ms. Huey will check with Mr. Johnson to determine if this is still an issue. Perhaps the responsibility legislation has dealt with the issue.

Ms. Moses indicated that some changes may be made to the intent to pay paperwork so that subcontractors are identified on the documents. She indicated it may not be a significant issue right now and will clarify with Mr. Johnson.

Item 8: Contractor Retention

Mr. Peterson indicated that this is no longer an issue.

Item 9: Other Issues to Consider

A. In State Preference – 2008 Priority

Ms. Moses indicated that this is a significant issue, especially in eastern Washington. Representatives Ormsby and Wood are interested in preventing out of state prefabrication contractors from under bidding Washington contractors. Out of state vendors are not required to pay Washington prevailing wages. HB 1908 changes RCW 39.12 requiring that prevailing wage are paid to all workers based on the locality of the project, not where the work is being performed. Concerns were expressed as to the legality of HB 1908.

Options under consideration include: (1) In state preferential bidding law for offsite fabrication; (2) Reciprocal Reciprocity – any state with in state preference we will apply a reciprocal preference; and (3) similar provision to Alaska – Title 36 with forestry – buy Alaska law. Require that owner buys Washington wherever practicable.

Subcommittee agreed this issue is worth discussing.

B. Cleanup Current Legislation: Retainage and Prompt Pay – 2008 Priority

Mr. Purdy requested that we clean up out of date public works laws. Statutes in question include: 60.28.010; 60.28.020; 60.28.050; and, 39.76.010.

Mr. Purdy believes these statutes related to retainage are no longer applicable as they apply to projects prior to September 1992.

Subcommittee concurred that it would be good to clean up current legislation. If others identify similar code issues, the subcommittee could look into those issues. Ms. Huey and Deakins expressed concern with leaving the issue category broad and recommended that issues be listed separately so we have a tracking mechanism.

C. Unsupported Claims – 2008 Priority

Mr. Mequet suggested that the subcommittee should look into problems associated with unsupported claims. The Port has noticed significant rise in unsupported claim values. In the past claims were supported by documentation at a rate of 80 to 90 cents on the dollar. Today a claim is supported by documentation at a rate of about 40 to 50 cents on the dollar.

Subcommittee is interested in discussing the issue and determining whether there is a mechanism to resolve the issue.

D. Prompt Payment of Undisputed Amounts – 2008 Priority

Mr. Ahlers suggested that the subcommittee look at the issue regarding payment of undisputed amounts. If there is a dispute on a change order owners sometimes withhold entire value, verses paying undisputed value. The current prompt payment

provision does not remedy the situation. Subcommittee is interested in discussing the issue.

Other Discussion Items:

- Mr. Kommers said that he has met with University of Washington because they wanted to change DBOM. CPARB declined the suggestion at the last Board meeting on February 8th. We should have a subcommittee to work on this.
- Ms. Deakins is drafting issues document for CPARB meeting on March 8th. She suggested recommending target dates to CPARB.
- Mr. Berry recommended parties should draft a briefing paper on their issue. Individual agreed to do this except for the Mike M Johnson issue which has been briefed. AGC has a white paper on their webpage dealing with the issue.

Briefing on Bills by Ms. Deakins

House Bill 2009

Goes to the Rules Committee for a second reading

Substitute House Bill 2010

Passed out of the State Government and Tribal Affairs (for the last time) and into the Rules Committee for a second reading.

- Section 2 – AGC had couple of issues and CPARB had three issues
- Section 2 paragraph 2 – relevant added to that paragraph
- Section 3 – different wording but same concept (clean up with same intent)

Senate Bill 5856

On to the Rules Committee

Substitute House Bill 1506

First went through the State Government and Tribal Affairs Committee. Second, passed out of the House Capital Budget Committee. The DBOM language has not affected the intent (it is purely a funding issue). It has gone to the Rules Committee for a second reading. Recent revisions:

- Parks will be able to use General Administration JOC
- Section 304
- Section 503 No change was made to grandfather in current procurements.
 - Ms. Huey asked what needs to be done to get that change made. Do we push for change now or on Senate side? What is CPARB doing to ensure the change is made? This is an issue for King County.
 - Mr. Kommers said lobbyists can push it on their own; they don't need CPARB permission. We need to support what CPARB did.
 - Ms. Deakins said she will talk to John Lynch to see how it should be framed. Transition is the key issue.

Meeting Adjournment

The meeting was adjourned at 2:00 p.m.