

Meeting Minutes  
 Prevailing Wage Advisory Committee  
 December 18, 2014

**Attendees:**

**Prevailing Wage Advisory Committee Members:** Kathleen Garrity (Associated Builders and Contractors), Josh Swanson (IUOE Local 302), Jerry Vanderwood (Associated General Contractors of WA), Ginger Eagle (WA Public Ports Assoc), Lee Newgent (WA. State Building Trades), Monty Anderson (Seattle Building Trades), Bruce Chattin (WA Concrete and Aggregates)

**L&I Staff:** Elizabeth Smith, Jim Christensen, Saul Olivarez, Laura Herman, Reasa Pearson, Matthew Erlich, Shawn Dove, Angela McNeil and Rita Lloyd

Agenda Item	Discussion	Action Items
Opening Remarks Introductions	Jim Christensen opened the meeting.	
Review and approve minutes from last meeting	Jim asked the group to review the PWAC draft minutes from September 22, 2014 meeting.	Motion to approve, all in favor, none opposed.
Prevailing Wage Status	<ul style="list-style-type: none"> <li>• Jim: All but three determinations were completed by end of October. The three left to do are Tug Boat, Clallum County, and N125 Northlink. All final determinations are posted on L&amp;I website. Miriam resurrected the Geo Loop determination. Lean process improvement for determinations will be implemented by end of January, with a 90 day turnaround. Prevailing Wage Operations Manager was hired, Jamie Blacksmith. He will run the day to day operations of the program.</li> </ul>	
Redeterminations	<ul style="list-style-type: none"> <li>• Liz spoke to the redetermination process, stating we are working on adequate structures and resources in place to be able to respond in a timely manner. For every Redetermination, a letter is sent out, file opened, docs are stored and organized, benchmarks for timing, and adequate communication.</li> <li>• When the process goes to redeterminations, the request goes to Liz. She responds with a letter and asks what involvement the requestor would like:               <ul style="list-style-type: none"> <li>○ Do you want to supply a new letter and have a meeting?</li> <li>○ No new information, but want to have a meeting discuss why the</li> </ul> </li> </ul>	

	<p style="text-align: center;">redetermination argument</p> <ul style="list-style-type: none"> <li>○ No new information, no meeting, just want the file to be considered on the redetermination level</li> <li>○ We ask you to pick an option, so we know what way to go</li> </ul> <ul style="list-style-type: none"> <li>● We currently have 4 redeterminations on our plate, needed a good system to move these along. The decision making is the same.</li> <li>● Miriam asks a timing question: What does the department look at for how long something remains in your office?</li> <li>● Liz: Timely response is mission critical. Within 90 days if possible. We set up the process to notify the requestor immediately, so we can begin the process, have it staffed and follow through.</li> <li>● Bruce Chattin: Is there interactive discussion after the letter is received?</li> <li>● Liz: We review the documents, ask questions and get it out. Share information, review their responses and back to the requestor. Not to have endless flights of transfer of information. Would like two healthy rounds of correspondence. After the redetermination process, the next steps are arbitration up to the director.</li> </ul>	
<p>Legislature Update</p>	<ul style="list-style-type: none"> <li>● Liz: I am going off the agenda for a minute. Leg is starting in mid-January, and we have a budget package going forward, 2 packages which specifically intersect with Prevailing Wage. The budget package asks for 4 categories: a) substantial push on what rules and requirements are for PW compliance for WA state employers, b) increased fraud protection and cross match ability, c) When penalties are issued, and they do not go into our master account receivable. Need to get those debts into our A/P system, d) Adding resources/staff to validate survey information. The second package is called the investigation squad, to allow us to move forward with the serious violators, and give us the ability to prosecute.</li> <li>● Miriam: What happened to getting a dedicated AG?</li> <li>● Our budget package includes dollars for the AG office to dedicate another AG. We</li> </ul>	

	<p>are following California’s investigation process, which put together a group like this. The package is about having the tools and resources in house to act upon the bad contractors sooner rather than later. Focus on the worst violators.</p>	
<p>Scopes</p>	<ul style="list-style-type: none"> <li>• Jim: We have discussed these all morning and will discuss again, rather briefly. Let’s table Ship Building and Repair scope, but what about fabricated concrete casting scope? Can we move forward?</li> <li>• Lee: We need to add tasks to the scope for the workers. May be able to ferret out language to put in a task list of what they do. The scope strictly deals with the facility more than the workers.</li> <li>• Miriam: we did this and presented it to the department. Need to add tasks for what the factory workers do and what the department thinks is an established factory.        Jim: This is what I will do. The concept of an established facility should be more a rule than scope. I intend to work on this and perhaps amend another rule, My agenda will be to work with the existing industry professionals who will bring value. The task list could include: concrete pouring, concrete shaping, reinforcement, just a simple ½ page definition of tasks.</li> <li>• Josh: What I hear you saying is this is done; we just add the task list. Industrial Engine and Machine: There needs to be further conversation on this scope, and ok to move forward with additional meetings with interested parties.</li> <li>• Jim: I want these people here to be part of the process, 286 guys, and Michael. Meet in a small group than to PWAC. Dredge Workers, Motor Shop Electrician, Ready Mix truck drivers and truck drivers, can we move forward?</li> <li>• Lee: We have an issue with dredge workers</li> <li>• Jim: I think the dredge workers scope needs further discussion and your interest will be included in the meeting with Josh and I...Carpenters want to be at the table also. We have a viable plan to move forward with these scopes</li> </ul>	

Survey Methodology	<ul style="list-style-type: none"><li>• Jim: This document represents a comprehensive draft. I have also distributed with the Survey Methodology, a letter from Rep. Manweller. His request is to “ to increase the accuracy and completeness of survey data reported to L&amp;I, the agency should notify a contractor when a third party has filed a prevailing wage survey on their behalf”. Either now or in the next few weeks, I would like to get your thoughts on Representative Manweller’s suggestion. I have met with some of the industry folks and PWAC for their input on the Survey Methodology Policy draft. Our agenda is to move forward with this document. We are preparing to launch 2 surveys in late December, Street Sweepers and Industrial Size Vacuum Cleaners. These will be manageable and we haven’t done a survey on this work in a long time. We intend to post on the web site as policy and it will be a live document. I find meeting with individuals and smaller groups are more effective than a public discussion. I am inviting comments over the next few weeks.</li><li>• Josh: One thing to say, this is more positive on the survey methodology. It will significantly increase the time of the survey.</li><li>• Miriam: Quick statement, lots of comments on this document, which you have seen on other survey documents. I assume the state and city want to make more formal comments. We have been killing ourselves to get this before today. The comments and concerns are extensive enough I would hate to see any survey done with the instructions and methodology of today. I know it is important to do the survey, however I think waiting 30 days will not hurt to hear all the comments. etc.</li><li>• Ginger: I know it would take more time. I would rather have you both look at it, before moving forward. I think both sides have concerns.</li><li>• Jim: Bottom line is, PW policy is somewhat controversial and survey methodology tops the list. With leg starting, I intend to address this stuff, at what pace I will use, it will be between restless haste and catharsis. Miriam you promised me documents and no need for a quick comment.</li><li>• Jerry: I will meet with my members and send you the comments. Is this what you</li></ul>	
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	<p>are looking for?</p> <ul style="list-style-type: none"> <li>• Jim: Yes, that is perfect</li> </ul>	
<p>Certified Payroll Project</p>	<ul style="list-style-type: none"> <li>• Jim: This project will make our electronic transfers more secure. We are building in house. We received budget from Leg to build this application using existing resources and budget. They will deliver by end of June, a limited version of a web based CPP. This will include a dashboard for public awarding agencies, which will be able to open a project and it will show them all the information regarding that project, i.e.; subcontractors, dollar amounts, when, etc.</li> <li>• Liz: Liz discussed the abilities of the new system. Some of the questions included: 1. Will it integrate with private applications, ie: LCP tracker. Will there be affirmation? Yes, Security will need to be tight. The system will communicate with the Intents and Affidavits system and will be verified.</li> <li>• How much money did this cost?</li> <li>• Liz: \$288K for one year, and managed by the IT core team. This will help to get rid of the Underground Economy.</li> </ul>	
<p>Policies</p>	<ul style="list-style-type: none"> <li>• Jim: moving right along, draft policies in your packet; portable toilets, locksmith, and cubicle furniture. I intend to put into policy and make them not DRAFTS.</li> </ul>	
<p>Topical Outline</p>	<ul style="list-style-type: none"> <li>• Jim: When we talked about Determinations earlier, they are not laws, not rules; they are interpretive statements for regulations. They contain great information for the contractors. We have never cataloged them this way, so the statements can be located. We started with exerts from IS determinations we have taken from PW throughout the years. This is how we view these topics today. We intend to put this document on the internet, for folks to look up the topics and get answers to their questions without a new determination.</li> <li>• Liz: This is a draft, work in progress. We are working on this and if you have comments or see anything you are concerned with, please contact Jim. These are</li> </ul>	

	<p>like determination cliff notes.</p> <ul style="list-style-type: none"><li>• Miriam: If these don't match what we currently have, I will mark up and send to you.</li></ul>	
Meeting Closure	<ul style="list-style-type: none"><li>• Jim: There will be no PWAC during Leg session. The next PWAC is May 18<sup>th</sup> in Tumwater. See you all there.</li><li>• Meeting called to end, all agreed</li></ul>	
Date/Location for next PWAC meeting	<p>May 18, 2015 Tumwater/L &amp; I Headquarters Time: 9 – 11:30am Room location: S118/119</p>	