

**Location:** via Teams

**Meeting ID:** 245 443 935 94 **Passcode:** tKAuFM

**Committee Members:** (7 members, 4 = quorum)

x	Linneth Riley-Hall (Transit), Co-Chair	x	Tom Zamzow (Walsh Construction), Co-Chair
x	Lekha Fernandes, OMWBE	x	Stuart Moore, Atkinson Construction
x	Metin Keles, WBE	x	John Salinas II, Specialty Subcontractors
x	Santosh Kuruvilla, Engineers	x	Robynne Thaxton, Private Industry

**Stakeholders:**

x	Bob Armstead, NAMC	x	Frank Lemos, IDC Corp.
x	Mike Dobry, DEA, Inc.	x	Ping Liu, Flatiron Corp.
x	Aaron Halling, Tapani	x	Geoff Owen, Kiewit
x	Thrall Hershberger, Kraemer NA	x	Richard Patterson, DEA, Inc.
x	Joseph C. Kline, WSU	x	Curt Winningham, WSDOT

**Guests:**

x	Talia Baker, DES/CPARB Staff	x	Conrad Guadagni, WSDOT
x	Thomas Brasch, WSDOT	x	Jessica Letteney, MFA
x	Gregory Cook, WSDOT	x	Terrence Lynch, WSDOT
x	Nancy Deakins, DES CPARB Staff	x	Art McCluskey, WSDOT
x	Bill Frare, DES	x	Janice Zahn, CPARB Chair and Ports Rep

**The meeting began at 3:01 p.m.**

**Call to Order and Roll Call for Quorum**

A roll call of members confirmed the meeting quorum. Co-Chair Linneth Riley-Hall welcomed everyone to the Capital Projects Advisory Review Board (CPARB) WSDOT Project Delivery Method Review Task Force (TF).

**Welcome and Introductions**

Co-Chair Riley-Hall introduced herself and called on attendees to introduce themselves by name and affiliation.

**Approve Agenda**

Co-Chair Riley-Hall added updates from CPARB Chair Janice Zahn to the meeting agenda.

*Robynne Thaxton moved to approve the agenda and Co-Chair Tom Zamzow seconded the motion. The agenda was approved by a unanimous voice vote.*

**Approve Minutes from 3/27/2024 Meeting**

Co-Chair Riley-Hall led a brief discussion about reviewing the minutes from the prior meeting.

*Robynne Thaxton moved to defer approval of the minutes until the April 24, 2024, meeting, and Lekha Fernandes seconded the motion. The motion to defer approval of the minutes was approved by a unanimous voice vote.*

Co-Chair Riley-Hall reminded members to review the minutes of the prior meetings before the April 24 meeting.

**Update from CPARB Chair Janice Zahn**

Tom Zamzow of AGC has been appointed Co-Chair of this TF with Co-Chair Riley-Hall.

Janice Zahn asked Chair Jake Fey of the House Transportation Committee about the timing in the budget proviso for the TF. The response was that the expectation of the TF is that it provides recommendations for WSDOT to consider ahead of bid advertisement. Janice noted that, what she heard from Chair Fey was that there would be no bid advertisements on WSDOT projects before the submittal of a recommendation from the TF, consideration by the Transportation Committee, and WSDOT's taking the recommendations into consideration. Janice also left a message with Senator Marko Liias but has not heard back from his office.

### **Review Membership**

Co-Chair Riley-Hall noted that, at the March 18 meeting, CPARB approved the addition of several TF members. At the most recent CPARB meeting, it was noted that she is currently the only member representing an owner.

Co-Chair Riley-Hall solicited suggestions from TF members for owners with experience with selecting delivery methods, procurement methods, DBB, DB, progressive DB, GC/CM, and Heavy Civil GC/CM. Anyone interested in participating must be able to attend as many meetings as possible in order for the TF to meet the legislative deadlines.

TF members discussed representation of businesses certified by the Office of Minority and Women's Business Enterprises (OMBWE) and an association or group that represents OMBWE businesses. Several members noted that they represented OMBWE firms and Lekha Fernandes represents the Washington OMBWE office. Co-Chair Riley-Hall will take the issue of OMBWE representation to CPARB for discussion at its April 11 meeting, as CPARB is the entity that discusses and appoints members.

The goal of the TF is to work on the recommendations. Because these are public meetings, anyone can participate in TF discussions, including non-TF members.

The TF's charge has two parts: One is a recommendation on project delivery and the other is understanding cost certainty and alternatives. The goal in the TF meetings is to maximize the use of meeting time to meet these two objectives.

Janice noted that the budget proviso paragraph that appears at the end of the agenda is not the full scope of the TF's charge.

Santosh Kuruvilla will reach out to Jessica Murphy, who has GC/CM experience, to gauge her interest in becoming a member, and he will nominate her as owner member at CPARB.

Co-Chair Zamzow mentioned that the State of Utah DOT uses a form of GC/CM that they call CM/GC. CM/GC was used for the Olympics and it's a standard procurement method in Utah now. He will see whether a representative from that agency can do a short presentation on their methods.

Robynne Thaxton noted that Keith Molenaar, Dean of Engineering at University of Colorado and at DBIA, developed a method of horizontal project delivery and he may be another good presenter to the TF.

### **Current Status of the SR 18 Project—WSDOT Presentation**

Art McCluskey introduced the WSDOT presentation that covers the SR 18 widening project. The information is being provided as a factual response to TF requests and questions; it is not meant to influence the outcome or convey urgency. WSDOT supports the TF's mission and will be flexible to accommodate the decision process.

He shared the Funding Balance 6-Year Outlook slide, the recent WSDOT financial plan that shows several projects, including those under TF consideration. The list shows that several accounts are not balanced in future biennia, which is an

issue that the legislature will need to address in future sessions. The TF should be aware that this issue affects multiple projects, not just the project under the July 1, 2024 decision deadline.

Co-Chair Riley-Hall noted that July 1 is the date for submittal of the first final report and several steps need to occur before that point: CPARB will need to review the report draft, then approve the final version, and DES will get it submitted to legislators by the deadline. Review of the deadline for the recommendation and review of the schedule was noted as an agenda item for the April 24 TF meeting.

WSDOT Project Engineer Conrad Guadagni presented slides on the SR 18 Widening Project Phase 1.

The original SR 18 widening project was split into two phases. Phase 1 is widening just west of Tiger Mountain Summit to Deep Creek and the roundabouts at the Hobart Road interchange. The schedule for a future Phase 2 is to be determined.

Phase 1 scope includes the following:

- Correcting five fish barriers (six fish barriers are included in Phase 2).
- Widening the road to barrier-separated four lanes from just west of Tiger Mountain to Deep Creek.
- Constructing two roundabouts, at Issaquah and Hobart Road.
- Installing five fish passage structures to facilitate fish passage and wildlife crossings.
- Installing Intelligent Transportation System elements—power supply conduits and electrical vaults.
- A stormwater retrofit and environmental mitigation.

The current status of the project is that environmental documentation is being completed. The State Environmental Policy Act documents are expected to be complete by the end of April 2024. The Biological Opinion for the Endangered Species Act is expected to be completed by June 1.

- WSDOT signed a Letter of Understanding with Puget Sound Energy, so that agreement is complete.
- The federal land transfer with the Bonneville Power Administration (BPA) could take two years. But the land transfer could also be scheduled later and not be part of RFP.
- WSDOT is currently waiting on King County to complete reviews of environmental permits, the traffic control plan, and other King County-related items. The final draft of the construction agreement is due to King Co by end of April.
- There are no other commitments to, or agreements with, local jurisdictions.

WSDOT selected DB through its Project Delivery Method Selection Checklist process. Part of WSDOT's agency policy is determining which party should manage the risk and that led to the DB decision.

The project is at about 30% design for DB, which is the 90% Conceptual Plan. Specifically, it's at 27% complete—ready for the request for qualifications (RFQ), which is scheduled to be issued on August 1, 2024, with an RFP issued in November. WSDOT is expecting to issue a Notice to Proceed in 2025, with substantial completion of the project in 2031.

WSDOT has spent \$23.6 million (M) of the total \$33.5M design budget. None of the \$2.5M for rights-of-way (ROWs) have been used yet.

The Cost Estimating Validation Process (CEVP) workshop. The construction estimate of \$442M is the 60th percentile for the project total cost. The total project cost includes all bid items to complete the work, the Design-Builder's design effort and 10% for WSDOT Construction Engineering.

Funds for the project have come from Move Ahead Washington gas tax and from federal funds, which include requirements for using disadvantaged business enterprises (DBEs—OMBWE-certified firms) and Buy America. There are no restrictions or spending deadlines from the funding sources.

WSDOT is tracking the project risks identified in the November 2023 CEVP workshop. The project includes high-risk walls design on unstable slopes on a historical landslide. There is a lot of groundwater in the area, making for adverse hydraulic conditions. The entire project area includes forested areas, 32 wetlands, and 50 streams. The project plan must include mitigation sites that compensate for those elements. WSDOT may need to look for additional sites. Stormwater flow control is an issue because the project will add large amounts of impervious surface. The project will need to collect and treat stormwater, and it is difficult to treat stormwater in mountainous terrain, such as in the project area. WSDOT needs to find places for detention ponds and water quality treatment facilities. Finding areas for stormwater treatment requires geotechnical exploration—drilling boreholes. It has up to 16 months to get King County permits to do drilling and grading work. These steps are essential to developing a good wall design and the permitting delays could affect the project schedule.

SR 18 is a heavily traveled route by freight trucks. The construction staging is complex: There is a need to keep traffic moving during construction because many trucks from the Port of Tacoma travel east on SR-18 to I-90, as well as recreational users heading to Tiger Mountain.

The results of the geotechnical exploration will help WSDOT determine how robust the wall must be, which could positively affect costs if the walls require fewer resources and materials to design and construct. WSDOT determined that DB provided an opportunity for a Design-Builder to improve means and methods to accelerate the schedule over the Conceptual Plan.

Other challenges for the project include ROW acquisition, there are many different rights to acquire—temporary easements, permanent slope easements, drainage easements, subterranean, and purchasing property in fee.

The BPA ROW crosses the ROW for SR 18. WSDOT is working with BPA. The volatility of the market increases construction costs. Resources are stretched thin because there is a lot of work in the area. The availability of designers and laborers may be limited at the time SR 18 goes into construction. Review time from third-party agencies such as King County or federal agencies is not under WSDOT's control. WSDOT does have liaisons and agreements to help, but WSDOT has to wait for agencies to do their reviews.

Another risk from changing the delivery method and delaying the project is that the project documents have shelf lives. The conceptual design approval is good for three years, as is the National Environmental Policy Act approval. The project marbled murrelet survey has a shelf life of three to five years and would be expensive to redo.

The state fish passage injunction has a deadline of March 2030. The entire SR 18 project has a total of 11 fish barrier projects that WSDOT would like to have done by 2030. Another risk is inflation, which could be up to \$20M a year at the scale of this project.

In addition to the Project Delivery Method Selection Checklist, WSDOT also looked at RCW 47.20.785. The project is well over the \$2M threshold for DB and it has highly specialized activities. WSDOT is hoping the DB contractor will introduce innovations that save time.

**Question:** Bill Frare requested more information on the decision for the project delivery method. The presentation mentioned schedule as a driving factor and that DB provided the opportunity to accelerate certain project factors. He asked WSDOT to outline the other factors considered when selecting DB for this project.

**Answer:** WSDOT's selection guidance closely follows the RCW which uses 13 points to evaluate whether the project risk would be better managed by WSDOT or Design-Builder. To complete a 100% design using WSDOT and consultants would push out the project an additional three years. Maintenance of traffic is an issue for this project and WSDOT is trying to get innovative to keep traffic moving and keep the phases of construction shorter.

Art added that DB checks the box of significant savings of project delivery time. Project activities are specialized and a DB approach needed. Also, the project provides opportunity for innovation. All of these reasons are in the selection guidance and straight from the RCW.

Bill noted that geotechnical and stormwater are specialty design areas. He asked WSDOT to weigh in on whether there is sufficient ROW to take care of stormwater or would identifying more ROW for stormwater compliance be an additional project risk.

Conrad responded that the ROW revision, which drew out the areas needed, has been completed. WSDOT has planned to acquire sufficient land to achieve project objectives. WSDOT's Real Estate division is getting started on appraisals.

The hydraulic report is for the entire SR 18 corridor. WSDOT is in discussion with the Washington Department of Ecology about how to break up the stormwater treatment plan for Phase 1 of the project. One possibility is to provide treatment for the whole project, which could get complicated. The conversations with Ecology could change the plan and add more treatment than expected.

**Question:** John Salinas II asked whether the original context of this multipurpose project was as a civil infrastructure project or a fish passage project.

**Answer:** WSDOT looked at its list of planned projects to determine which ones overlapped with the needs for fish passage. If there was a need, it made sense to incorporate fish passage into the design, rather than returning later. But the main focus of the project was the widening.

**Question:** John observed that there is some risk in that some required reports are not yet ready for the August 1 RFQ deadline. He queried WSDOT on whether there are additional project risks that have not yet been quantified.

**Answer:** Conrad reiterated that the project is at the 60% confidence level. Art added that all DB and DBB projects go through an approval process before they are sent to advertisement. Projects are categorized into risk levels 1, least risky, through 3, most risky. Level 3 projects may have unanticipated costs. WSDOT tries to get more done on level 3 projects before the advertisement, because the 60% level assumes that some of the work has not yet been fully vetted. The risks associated with this are part of the 60% calculation. Conrad added that the SR 18 project may be identified as a level 3 because of the need to negotiate for the ROW with BPA.

**Question:** John asked WSDOT to address the cost metric that shows WSDOT costs as 10% of the \$24M spent on the initial design. He wanted to know whether the WSDOT cost percentages rise proportional to the total project costs; for example, would WSDOT costs double if project costs doubled.

**Answer:** WSDOT estimates the bid items to be based on the unit bid analysis and Conceptual Plans with percentages for the Design-Builder's effort. The 10% is the WSDOT staff Construction Engineering costs during the life of the contract and it covers the time for staff to do the tasks necessary to manage the project. If the total project cost goes up, the WSDOT time to manage the project will go up.

John asked WSDOT to confirm the proportion of costs that are WSDOT costs. He observed that it appeared to be approximately 13 to 15% of total cost for WSDOT administration.

Curt Winningham said WSDOT typically uses 3% as the metric for the DOT engineering costs. The higher the total project cost, the lower the DOT percentage is for engineering costs. There is no flat rate; so, if the total project cost went up to \$900M, for example, WSDOT would not automatically inflate its cost to maintain the 10% rate. WSDOT keeps its costs as low as possible.

**Question:** Robynne noted that WSDOT's project delivery checklist on the TF website is a good resource for TF members with regard to DB and DBB projects. The checklist documents WSDOT's rationale for each item and how they decided to go with the DB project delivery method. She asked WSDOT to provide an estimate on how much potential time it would take to complete the design for the project if the TF recommends using DBB.

**Answer:** At the bid advertisement date in November, the project would be at 30% design. To switch to DBB would take an estimated 1.5 to 2 years is needed to get to 100% design.

**Question:** Stuart Moore asked how recently the project cost estimate was developed.

**Answer:** The WSDOT cost estimate workshop was held in November 2023.

**Question:** Stuart Moore observed that there have not been a lot of \$400M DBB projects in Washington recently and asked WSDOT to describe how the agency would pivot to do a \$400M project as a DBB.

**Answer:** WSDOT does not have enough staff to do the project in house. WSDOT would either amend the agreement or create with the current consultant, who is handling the Conceptual Plans and the RFP development, or would develop a new agreement, to do the project as a DBB.

**Question:** Co-Chair Zamzow asked WSDOT to describe the risks that push the project in one direction or the other and give the TF members an idea of how the range of confidence levels progress—how large the jumps are—for example, what would the 80th percentile look like on an \$800M project.

**Answer:** The 60% percentile is based on WSDOT Secretary's Executive Order E 1053.02, *Project Risk Management and Risk-Based Estimating*, which explains why the percentiles are used. The major items that introduce risk and uncertainty include the wall design, the bridge design, and the stormwater treatment. The escalation estimate is \$20M a year. The 90th percentile was approximately \$630M. There is a graph that WSDOT can share later that shows how the range progresses and WSDOT can share a description of the CVEP process.

**Question:** Co-Chair Zamzow asked where the BPA ROW was relative to the project area.

**Answer:** The BPA ROW is just east of summit. Negotiating the BPA easement is more challenging than in most situations because it is more like a railroad ROW that crosses SR 18. Negotiating that easement could affect the traffic control plan.

**Comment:** Mike Dobry thinks that WSDOT is overly optimistic in its cost estimate and use of the 60th percentile, particularly in relying on the contractor to come up with innovations to save on costs. In DB, the contractor assumes all the risk and the SR 18 project seems to have some extreme risks that the contractor may not be able to mitigate. It is possible that the cost estimate may escalate, rather than go down, if the contractor cannot get their innovations accepted through the Alternative Technical Concepts process.

Co-Chair Riley-Hall requested that all WSDOT presenters make themselves available if there are follow up questions after TF members review the materials. She recommended that the GC/CM and DB alternative delivery and DBB discussion be tabled for the April 24 agenda. She requested that additional resources be sent to Talia Baker who will upload them to the TF web page.

### **Establish Next Meeting Agenda – Discussion**

The agenda for the April 24 meeting will include the following:

- Review and approve notes from the March 27 and April 10 meetings.
- Review membership including any new member votes from CPARB and welcoming new members.
- Review of the deadline for the recommendation and review of the schedule.
- Discuss GC/CM and DB project delivery methods.

Robynne added that there should be time to talk through the SR 18 project. She encouraged TF members to become familiar with WSDOT processes, DB under RCW 39.10 and progressive Design-Build under RCW 47.20. The link, Task Force Deliverable #1 Due July 1, 2024, on the TF webpage provides basic project information including project scope elements and the Project Delivery Method Selection Checklist.

Janice added that she would like to see the TF review the dates of TF meetings with the dates of upcoming meetings CPARB. The goal for the June TF meeting would be a vote on the final report or recommendations.

Co-Chair Riley-Hall noted that an agenda item will be to extend the TF meetings to two hours, rather than add more TF meetings.

*Co-Chair Riley Hall moved to adjourn the meeting. Robynne Thaxton seconded the motion. Co-Chair Riley Hall declared the meeting adjourned.*

**Meeting adjourned at 4:40 p.m.**

**Next meeting: April 24, 2024, 3:00 p.m.**

### **Action Items:**

1. Co-Chair Riley Hall will take the issue of OMBWE representation to CPARB for discussion at its April 11 meeting.
2. Santosh Kuruvilla will reach out to Jessica Murphy, who has GC/CM experience, to gauge her interest in becoming a member, and he will nominate her as owner member at CPARB.
3. Co-Chair Riley Hall and Robynne Thaxton will reach out to Keith Molenaar at the DBIA conference about presenting to the TF.
4. WSDOT will share its presentation, graph that shows the CVEP range, and a description of the CVEP process with CPARB staff for posting on the TF page.
5. WSDOT will be prepared to discuss its project delivery selection process.
6. TF members will review the WSDOT presentation and SR 18 project materials at the Task Force Deliverable #1 Due July 1, 2024, link.

### **References/Resources:**

- RCW [47.20.780](#)
- RCW [47.20.785](#)

- [RCW 39.10.300](#)
- [RCW 39.10.340](#)
- [WSDOT Project Delivery Method Review Task Force Homepage](#)
- [ESHB 2134 from 2024 Legislative Session](#)
- [WSDOT Presentation to CPARB - March 18, 2024](#)
- [Project Delivery Method Selection Guidance Policy Documents](#)
- [PDMSG Checklist](#)
- [Design-Build Contract Data Summary vs. Engineer's Estimate](#)
- [Summary of Bid Tabulations \(Engineer's Estimate vs. Contractor Bid\)](#)
- [Charles Pankow Foundation Building Owner Assessment Tool](#)
- [Project Delivery Selection Matrix | Transportation Construction Management | University of Colorado Boulder](#)
- [WSDOT Project Delivery Method Review Task Force Resources, including Task Force Deliverable #1 Due July 1, 2024](#)
- [WSDOT Secretary Executive Order E 1053.02](#)