

Location: via Teams

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

Committee Members: (12 members, 7 = quorum)

x	Linneth Riley Hall (Transportation), Co-Chair	x	Tom Zamzow AGC (Walsh Construction), Co-Chair
	Bob Armstead, MBE	x	Santosh Kuruvilla, Engineers
x	Lekha Fernandes, OMWBE	x	Stuart Moore, Atkinson Construction
x	Bobby Forch, MSPW	x	Jessica Murphy, City of Seattle
x	Metin Keles, WBE		John Salinas II, Specialty Subcontractors
x	Joseph C. Kline, WSU	x	Robynne Thaxton, Private Industry

Stakeholders:

x	Mike Dobry, DEA, Inc.	x	Ping Liu, Flatiron Corp.
x	Thrall Hershberger, Kraemer, NA	x	Jerry Vanderwood, AGC

Guests:

x	Talia Baker, DES/CPARB Staff	x	Terrence Lynch, WSDOT
x	Melanie Baldwin, WSDOT	x	Art McCluskey, WSDOT
x	John Chi, WSDOT	x	Kevin Miller, WSDOT
x	Nancy Deakins, DES CPARB Staff	x	Olivia Yang, WSU/CPARB Higher Ed
x	Frank Lemos, NAMC	x	Janice Zahn, CPARB Chair and Ports Rep
x	Jessica Letteney, MFA		

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).

Approve Agenda

Lekha Fernandes moved to approve the agenda, and Robynne Thaxton seconded the motion. The agenda was approved by a unanimous voice vote.

Approve Minutes from 3/27/2024 and 4/10/2024 Meetings

Robynne Thaxton moved to approve the minutes of the March 27, 2024, meeting, and Lekha Fernandes seconded the motion. The motion to approve the minutes was approved by a unanimous voice vote.

Robynne Thaxton moved to approve of the minutes of the April 10, 2024, meeting, and Co-Chair Tom Zamzow seconded the motion. The motion to approve the minutes was approved by a unanimous voice vote.

CPARB Chair Update

CPARB Chair Janice Zahn announced that, in CPARB's April 11th meeting, the Board approved a motion to have a special meeting in the early part of June to adopt the TF's final recommendations. She also spoke with the Legislative Transportation Committee Chair Jake Fey who validated that the four WSDOT projects under consideration would not move forward with official procurement until the TF recommendations were received and considered. She has also reached out to Senator Liias but has not received a response.

Review Membership/Welcome Bob Amstead, Bobby Forch, Joseph Kline, and Jessica Murphy
Co-Chair Riley Hall welcomed the four new TF members.

Review Deadlines vs. Work Still to Be Done

Deadlines

- **May 30:** Task Force completes recommendation report for SR 18 project.
- **June 3 (estimated):** Task Force presents report to CPARB in a special meeting.
- **June 5 (estimated):** Task Force meets to discuss CPARB feedback and develop action plan for resolving comments.
- **June 14:** Task Force submits final recommendation report.

Co-Chair Riley Hall noted that July 1 is not a flexible date and the final report must be submitted to DES two weeks before the July 1 final date.

Work Still to Be Done

- Review the current status of SR 18, the top risks, and current challenges.
- Review the planned procurement methods.

Current Status of the SR 18 Project Top Risks and Challenges—WSDOT Presentation

WSDOT staff—Kevin Miller, the WSDOT Assistant State Design Engineer in the Development Division, and John Chi, Assistant Regional Manager in the Northwest Region and associated with the SR 18 project—presented on the top risks and challenges for the SR 18 project.

Discuss WSDOT Decision-Making for Project Delivery for SR 18—Considering DB, Progressive DB, GC/CM, heavy civil GC/CM, and DBB.

WSDOT staff responded to TF member questions and heard their comments

Question: Co-Chair Riley Hall: What were the scores for GC/CM and heavy civil?

Response: The checklist and matrix do not include GC/CM or heavy civil project delivery methods; the process just covers Design-Build (DB) and Design-Bid-Build (DBB).

Question: Co-Chair Riley Hall: Slide 4 discussed that WSDOT evaluated four delivery methods but only DB and DBB are shown on the checklist. What about the other two methods?

Response: Although WSDOT has used four methods in the past, DB and DBB are the two included in the Project Delivery Method (PDM) selection guidance and process. WSDOT has used GC/CM in the past but has not been identified as a preferred framework. To choose GC/CM, WSDOT must present to CPARB and obtain CPARB approval. Additionally, the types of guidance and frameworks (such as the PDM selection checklist) that are in place for DB and DBB are not in place for GC/CM at WSDOT. WSDOT is in the early stages of using progressive DB as a PDM. The agency wants to evaluate the projects done under progressive DB before using it for more projects. As with GC/CM, the guidance and framework for progressive DB would have to be established. WSDOT plans to add some questions to the PDM selection checklist to evaluate progressive DB. Also, the TF recommendations may affect the PDM selection process.

Question: Robynne: There are four projects and three are fish passage done with progressive DB. The only horizontal project is SR 167, and that is progressive DB. WSDOT would need to develop a contract and processes as well as personnel to change project delivery methods. Does WSDOT have sufficient staff experienced in progressive DB to assign to a progressive DB project?

Response: The extent of progressive DB project experience at WSDOT is the three fish passage and the one horizontal project. Also, WSDOT is in the development phase in terms of creating procurement documents for progressive DB.

Question: Robynne: WSDOT has a robust DB program with a manual and best practices. Does WSDOT have similar guidance and processes set up for GC/CM? What was the project for which WSDOT used GC/CM and when did it occur?

Response: The Colman Dock project was a multiyear project with a lot of vertical construction but classified as heavy civil. It was started in 2011 or 2012 and finished up in 2023. WSDOT has never done a highway or freeway project using GC/CM and does not have documents and processes in place to do a project using GC/CM.

Question: Stuart Moore: It sounds as if WSDOT, in choosing DB, was primarily seeking to transfer permit risk to the contractor. The checklist showed that design control was not a critical issue. Is low cost and budget control one of the most important goals for the project?

Response: The four projects fall under the proviso language that a certain percentage over the Engineer's Estimate would be allowed. The decision is based on project cost and other factors.

Question: Stuart: For the progressive DB projects, does WSDOT know what the original Engineer's Estimate was compared to current costs? It would be helpful to see a comparison.

Response: Some of the projects involve a lot of bundled, separate contracts, and each bundle is its own entity. WSDOT can provide some generalities or a range.

Comment: Co-Chair Zamzow: The charge of the TF is to ensure cost certainty, but also meet schedule. Those can be two opposing forces. The earlier in the project the more difficult it is to get cost certainty, less budget information may be available. Risks are higher. It's all about risk transfer.

Question: Joe Kline: After filling out checklist, how does WSDOT adapt its requests for qualifications (RFQ) and request for proposal (RFP) documents to address those items? Does WSDOT normally incorporate the checklist items into RFQs and RFPs as evaluation criteria?

Response: Checklist and matrix items are broadly incorporated into the procurement documents. Items from the checklist and matrix inform project goals, which have an effect on the project delivery method. The evaluation criteria in statements of qualifications and RFPs are based on the project goals and procurement documents are evaluated against the project goals. WSDOT holds a workshop with subject-matter experts and the checklists to validate the decision. WSDOT's PDM selection process and the matrix are based on the research and processes from the University of Colorado, Boulder. WSDOT has provided materials that appear on the Task Force Resources page.

Question: Co-Chair Riley Hall: Sound Transit has a full binder of supporting information for all of the checklist items in its PDM selection process. Staff discuss how they came up with the delivery method. Does the checklist represent the whole WSDOT project selection process or is there more?

Response: The WSDOT process includes filling out the checklist, then conducting a workshop to validate the checklist items with the subject-matter experts (SMEs). In the workshop, the group considers the responses to each question. The checklist includes justifications for each decision point.

Question: Co-Chair Riley Hall: Is there a report at the end of the workshop that documents the issues regarding the delivery method selection?

Response: WSDOT's goal is to maximize the output from the process and not generate additional content. The checklist or matrix are the documents that show the thought process and conclusions reached. Other workshop documents include any presentations, the agenda, meeting minutes. But there is no formal report.

Question: Robynne: In the presentation WSDOT said that there is not time to prepare a 100% design for the SR 18 project. Why does WSDOT believe there is not time to prepare a 100% design?

Response: The plan has been to start construction on SR 18 after the I-90 project is complete in 2025. The SR 18 project would start construction in late 2025 or 2026. This schedule corresponds with legislative funding and directives. If WSDOT changed to DBB, completing the design would take longer, and WSDOT would have to obtain all the permits and right-of-way (ROW) agreements to complete design, all processes that take time.

Question: Co-Chair Riley Hall: If the delivery method changes, what is the impact on permitting?

Response: The NEPA permitting is already underway at WSDOT. Any other permits would be the responsibility of the Design-Builder. Part of the DB work is looking at the design and completing to the required standard in order to apply for permits such as JARPA, HPA, local permits, and grading permits. If the delivery method changed, WSDOT staff would have to take the project to 100% design and then obtain permits before even advertising for a contractor.

Question: Metin Keles: Regarding cost certainty in relation to permitting and design, does WSDOT have a probability value for risk assessment? Does it rely on the Design-Builder's price at the end of the bid and a percentage assigned to that price, or is an internal probability value calculated based on the risk profile of the project? How does WSDOT define risk?

Answer: WSDOT validates the estimated cost and has a dedicated team. The Design team conducts the Cost Estimate Validation Process (CEVP). This includes a team of SMEs and an independent contractor to validate costs. As the CEVP progresses, the discussion includes risks associated with elements such as price escalation, inflation, the geotechnical investigation, the wall, the potential for slides, permitting, and ROW easements. The risk is calculated for all of those elements and the team assigns a probability and a cost. The evaluation uses the Monte Carlo method. The base cost is all of the normal costs with bid item prices. Then the team adds the risk costs on top of the base cost, as well as the certainty and uncertainty. The standard is to use the 60th percentile range and go from there. The team also takes into account the amount that the legislature assigned to the project. After the internal costs, the design and mitigation costs, what is left over is the amount for construction and compare it to the price for the project risk. If needed, the team looks at managing risks and managing costs.

Question: Robynne: The TF needs a framework or a matrix in which to put all of the elements under discussion in one place and weigh them against each other. One focus is whether a PDM under discussion meets statutory requirements. Both GC/CM and progressive DB require approval before they can be used. Also, WSDOT must have the necessary experience or a qualified team to carry out an alternative contracting procedure. It does not appear that there are enough GC/CM contractors in Washington to do a horizontal project. If the delivery method were to change to DBB for the SR 18 project, how much redesign would be required?

Response: The SR 18 project is at 30% design. To change to DBB, WSDOT would continue with design but would lose the time already invested in the procurement process, which was started a while ago. The work to date would be lost if the PDM changed. WSDOT would have to start the process of obtaining permits, getting ROW agreements, and other tasks. If this had been a DBB project from the start, WSDOT would have started earlier in the process. Finally, DBB takes a bigger internal team to do the work. WSDOT would have to renegotiate with consultants to alter the current agreements and switch to different delivery mechanisms. It would take time to find the internal resources to do the renegotiation.

Comment: Metin: If the design contract changes, it changes the liability of the designer and it would be a renegotiation. All of this adds time to the project.

Response: Correct, they would have to stamp plans and do other things that they are not going to do right now with the 30% design. This changes the schedule. WSDOT is trying to get the RFQ out in August 2024. If the PDM changes, the project will be pushed out more due to the permit requirements. A marbled murrelet study was done for the project, but that study is only good for a five-year period. If the project takes longer, a new study would be needed, and it takes two years to do the study. Work on ROW agreements is similar to the murrelet study; delaying the project could push out the different

processes affecting properties. A delay in the project would also risk additional costs due to inflation and escalation of material costs. There are always costs to delaying a project.

Question: Santosh Kuruvilla: It sounds like the CEVP process is a key milestone in the decision-making. Is the CEVP event a discrete milestone or are cost inflation, material availability, and contractor availability constantly assessed?

Response: WSDOT ensures they have a design up to 30% so they can look at the factors named, capture in the CEVP, and evaluate the costs. The CEVP for SR 18 was done fall of 2023. If WSDOT changed to DBB project delivery, it would have to do another CEVP next year at the 90% or 100% design mark to capture costs, reevaluate the delivery method, and make sure.

Question: Santosh: What is the lag between CEVP and decision for project delivery method, is it weeks, months?

Response: The delivery method decision is made when the project is between 10% and 30% design, prior to the CEVP. The CEVP is done at close to 30% so that the team has as much information related to costs, such as geotech results, as possible. The PDM decision was reached in December 2022. And the CEVP workshop happened in November 2023, a year gap there. WSDOT has a technical advisory group made up of different stakeholders that identify project alternatives and the associated risks. The alternatives are played out and identified then captured in the PDM selection checklist with the justification for each as part of making the PDM decision. After that point, the project goes into design where the team obtains more information. For example, the geotech results may reveal there is additional risk. The additional risk information, the difference between what has been identified, gives the team a better idea of costs. The cost information is captured in the CEVP process.

Question: Co-Chair Zamzow: The TF keeps hearing about a delay for changing the delivery method. There's been discussion about refocusing the WSDOT team, acquiring different team members, renegotiating contracts, assuming the project delivery method would change to DBB. What's the actual delay--can WSDOT give a gross estimate?

Response: Using all of the factors just discussed and considering that WSDOT would need to increase the construction workforce, it's conceivable that changing to DBB could mean a delay of one to two years until the start of construction. That would mean construction would start in 2026. This is a guess.

Question: Co-Chair Riley Hall: How would the ROW issues delay the project?

Response: WSDOT is proceeding with the ROW agreements, but a change to DBB would mean WSDOT would have to obtain the ROW agreements before certifying. For any properties where WSDOT pursues condemnation, there would have to be a requirement that the property would not be available at a certain time and the specific time that it's available to the contractor. The advantage of DB is that there is an opportunity for the contractor to approach the issue in a different innovative way—perhaps they would not need to go forward with the ROW agreements.

Comment: Stuart: With DB, a contractor takes on project risks and responsibilities and moves forward, there are no changes. It's the contractor's responsibility to make sure that permitting and the other stages happen. With DBB project delivery, WSDOT must do everything perfectly or deal with lots of change orders and that's an extra cost. The concurrency goes away.

Question: Co-Chair Riley Hall: The TF would like to have a comparison specific to SR 18 to show the difference in time frames between DB and DBB—a visual that gives members the big picture.

Response: WSDOT will provide the information.

Question: Robynne: The TF would like to hear more details about the need for specialty engineering and high tech design, Item 1 on the WSDOT PDM checklist.

Response: Those items include elements related to working in mountainous terrain: finding specialized contractors to do the retaining wall work, design and install stormwater systems, and the different phasing for traffic control to maintain traffic flow. The civil structural work and the phasing may also require a specialized contractor.

Question: Co-Chair Zamzow: Does WSDOT have a history on, or evaluation of, the accuracy of CEVPs between the 30% and 100% design points?

Response: At the PDM selection decision, WSDOT evaluated the project risks. At the point of conducting the CEVP there is more information about project and the team evaluates the probability that the risk will be present compared to the probability that the risk will be retired. Closer to 100%, WSDOT may minimize risks, retire them, or just keep assuming the risks. The Engineers Estimates are closer on costs for DBB projects than for DB projects in recent history.

Comment: Santosh: In the decision-making process, there is a risk algorithm. WSDOT's general approach has been based on a discrete event like a CEVP. But maybe WSDOT should consider the approach be based on something at the continuum between the 10% and 30%. Perhaps the decision should be closer to the 10% mark than the 30% mark.

Identify Next Steps

- Use Robynne Thaxton's matrix idea to discuss the various delivery methods and the criteria for them to start ruling out possible delivery methods from consideration. Outcome of the discussion: a chart of all of the delivery methods and elimination of at least one, possibly two PDMs.
- Ensure that the TF understands its role, whether it's an analysis of whether the PDMs met the statutory requirements or actually make a recommendation to WSDOT that it should do something else.

Establish Next Meeting Agenda – Discussion

The agenda for the May 8 meeting will include the following:

- Review and approve notes from the April 24 meeting.
- Evaluate delivery methods, RCW requirements, and whether WSDOT's PDM met the statutory requirements.
- Discuss the various delivery methods and the criteria for them to start ruling out possible delivery methods from consideration. Outcome of the discussion: a chart of all of the delivery methods and elimination of at least one, possibly two PDMs.
- Discuss best practices to ensure cost certainty.
- Agree on the outline the TF's report of recommendations.

Robynne Thaxton moved to adjourn the meeting. Santosh Kuruvilla seconded the motion. The motion was approved by a unanimous voice vote.

Meeting adjourned at 4:49 p.m.

Next meeting: May 8, 2024, 3:00 p.m.

Action Items:

1. Co-Chair Riley Hall will request that Janice Zahn provide additional guidance on the TF's charge.
2. WSDOT will provide a comparison of project schedules using various delivery methods.
3. TF members will bring recommendations and best practices for establishing cost certainty.

References/Resources:

- [WSDOT Project Delivery Method Review Task Force Homepage](#)
- RCWs [47.20.780](#) and [47.20.785](#)
- RCWs [39.10.300](#) and [39.10.340](#)