

Location: via Teams

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

Committee Members: (12 members, 7 = quorum)

x	Linneth Riley-Hall (Transit), Co-Chair	x	Tom Zamzow, Walsh Construction, Co-Chair
	Bob Armstead, NAMC MBE	x	Santosh Kuruvilla, Engineers
x	Lekha Fernandes, OMWBE	x	Stuart Moore, Atkinson Construction
	Bobby Forch, MSVBE	x	Jessica Murphy, City of Seattle / Janice Zahn
x	Metin Keles, WBE / Arthur Antoine, Axiom		John Salinas II, Specialty Subcontractors
x	Joseph C. Kline, WSU / Olivia Yang	x	Robynne Thaxton, Private Industry

Guests/Stakeholders:

x	Talia Baker, DES/CPARB Staff	x	Larry Larson, WSDOT
x	Thomas Brasch, WSDOT	x	Jessica Letteney, MFA
x	John Chi, WSDOT	x	Terrence Lynch, WSDOT
x	Gregory Cook, WSDOT	x	Art McCluskey, WSDOT
x	Nancy Deakins, DES CPARB Staff	x	Geoff Owen, Kiewit
x	Yan Kuang, WSDOT	x	Curt Winningham, WSDOT

The meeting began at 3:02 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). Members and guests introduced themselves.

Approve Agenda

Co-Chair Riley-Hall requested any suggested changes to the agenda; none were forthcoming.

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 07/10/2024 Meeting

Co-Chair Riley-Hall requested that the group provide edits to the minutes from the 7/10/2024 meeting. She had one edit on page 4: For the sentence that started “Co-Chair Riley-Hall says that the TF will leave it to WSDOT to decide...,” she requested that the sentence be struck as it contradicted what she had said earlier in the meeting.

Lekha Fernandes moved to approve the amended minutes of the July 10, 2024, meeting, and Robynne Thaxton seconded the motion. The motion to approve the amended minutes was approved by a unanimous voice vote.

WSDOT Presentations – SR 526, SR 9 Marsh Rd, and Stage 3 Projects

Art McCluskey introduced the three Design-Bid-Build (DBB) projects at 100% completion of design and specifications.

Greg Cook introduced himself as the Project Engineer for the SR 526 Improvements Project in Snohomish County.

He presented the project location; scope; status; schedule; delivery method; funding source documents; environmental documentation status; agreements, permits, and easements; and commitments with local jurisdictions. He then answered questions on the project.

Stuart Moore noted that the anticipated cost range was tight.

Greg confirmed that the range was tight and noted that the project was a lot bigger when the Legislature allocated funds; it was supposed to continue further west to the next interchange. But environmental requirements meant that noise walls had to be added, so WSDOT reduced the project to the maximum extent possible to stay within budget. The plan for the advertising (AD) period is to say that bidders cannot go over \$36.1M. If a bidder thinks they would go over the \$36.1M, there would be no project to bid on.

Stuart asked whether the actual Engineer's Estimate was somewhat lower.

Greg said that, at the 90% estimate there is a 15% miscellaneous or contingency item that will be removed from the 100% estimate. Once they develop the 100% estimate in early to mid-August, they will be able to determine how much of that 15% contingency factor has been used.

Santosh Kuruvilla asked when the last update of the cost estimate was done and how it was performed.

Greg said a review was done in late 2023 at the 90% design point and WSDOT had the consultant update the estimate based on bid history with the same unit bids and items that the 90% design included. These are the numbers that WSDOT prepared for the spring 2024 presentation for the TF. They have not had a chance to update since the changes made in April because they wanted engineers to focus on the 100% design. The source of the estimate is mostly bid tabs, with some input from Procurement on prices.

Co-Chair Tom Zamzow asked whether WSDOT has received the permit, and Greg confirmed that they have.

Co-Chair Zamzow observed that the procurement model is unusual. He asked for confirmation that he understands that the intent is that, when WSDOT advertises, if the bid is more than the \$36.1M, their message to bidders will be not to bother submitting a bid.

Curt Winningham explained that the project is funded by Connecting Washington funding, which means all line-item projects are in the budget and the funding source requires that they will not exceed the line item in the budget. The budget is the cap and WSDOT can't ask for more money. In other cases, if a project is over by 20%, project staff can go to headquarters and request an increase in funding. Because of the need for noise walls, WSDOT can't reduce the scope anymore. The project is at bare bones.

Art added that the maximum funds available in DBB is like the upset price in Design-Build (DB) that WSDOT instituted in the past.

Greg added that if they take anything else away from the project it would be the third lane, which means the project would be incomplete; it would remove the idea of the project. Public perception would be low.

Geoff Owen observed that WSDOT is at 100% design. If they were considering some form of alternative delivery, it would be because they wanted some collaboration between the designer and a contractor. But the project risks they cited were typical. He asked if there was anything about the project that made WSDOT wish they had a contractor on board to collaborate or whether the project was straightforward.

Curt said the project was straightforward. There was no place for innovation or alternative concepts that might lead them to bring a contractor on board to do the design and use DB project delivery.

Greg said that the project began in 2018 and the project delivery method selection was performed in 2019. Right after it was determined that DBB made most sense due to the complications of the project, permits needed, the bridge design, the COVID pandemic occurred, and the project was shelved. Now he and his team are trying to get it across the finish line using the DBB process.

Co-Chair Riley-Hall asked when WSDOT started looking at various delivery methods, what were the discussions related to DB, as this was a fixed dollar amount?

Greg said that \$39.2M was 2019 estimate and then the noise walls were added, which represent just over \$20M, which moved them out of the project scope. They've been trying to reduce the scope of the project while still fulfilling regulations and preserving the intent of the project.

Co-Chair Riley-Hall said she was interested in the conversation at the time of the project delivery method selection about why WSDOT would not use DB.

Curt said that they look at the type of work and the possibility that a contractor might design with an alternative technical concept that WSDOT might not have thought about. If they think the contractor can do a better job than WSDOT can, they will consider DBB. There were not a lot of opportunities for the contractor to do that on this job at the time and the engineer in charge thought that DBB made sense. Then, given the constraints, there were changes to the project.

Joe Kline asked what happens if WSDOT does not get any bidders on the project?

Curt said there would be internal discussions with headquarters to decide whether there is any way to cut any more or just not advertise the project and pull it.

Joe asked whether they would score this project differently given the risks of today.

Curt said he would score more along the lines of DBB, not DB, given the short work area, the permitting, and the need for noise walls.

Robynne Thaxton noted that there are two points in time: the past, when the delivery method was selected, and now, when the TF is discussing them. The limitations of the process are that they need to look at both points, but the project has already been fully designed. There are many academic and industry best practices that say that the project would not meet the standard today of either RCW 47.20 or 39.10. There is the possibility at the beginning of the project that they could have used DB, but now the project is now fully designed, so it's hard to see what additional analysis could be done to inform recommendations on delivery methods for this project.

Stuart agreed that rethinking the delivery method for a project that is already 100% designed is not going to save money. A different delivery method might mean innovation but would limit competition. Rethinking the delivery method would drive the price up when it seems like a slam dunk to use DBB. However, those who go through the whole bidding process might be mad because they will not know until bid day whether their price is good. It's not normal for WSDOT to do things this way.

Joe returned to the topic of whether WSDOT would do anything differently today. With the constraint of the cap on bidding and telling bidders not to bid if their price is over that cap, there could be a disadvantage for WSDOT. If the bidder's price was just over the cap, there would not be a way to know and WSDOT would have scrapped the project. If they are putting everyone through the bidding process, it might be good to find out what the bids are and whether they are within striking distance.

Santosh noted that, even if the project is DBB, the option to have a cost reduction incentive proposal is always there. That feature is still allowed.

Geoff observed that WSDOT is in an interesting predicament with language passed by the Legislature with the \$5M or a certain percentage over. If it's over that amount then WSDOT has to go back to the Legislature, similar to Portage Bay, which delayed the project but didn't cancel it. It might be a better message to send to the bidding community that WSDOT still wants to know what the number is, rather than "don't bother bidding if they are over the \$32M." He suggested that the TF members collaborate and come up with language, understanding that legislative change can be slow.

Greg gave the presentation on the SR 9 Marsh Road to 2nd Street Vicinity Widening and Bridge Painting in the southern part of Snohomish. He then answered questions from TF members.

Joe asked whether the funding constraints for the project were the same as for the SR 526 project.

Greg confirmed that the requirements are the same, but that WSDOT has not had to shrink the project to fit. They are able to do the full project within the budgeted amount.

Co-Chair Zamzow said it appears that WSDOT is in good shape for the budget, but they did list a variety of risks. If bids were higher than expected, he asked whether WSDOT has a strategy for reducing scope if necessary.

Greg confirmed that there is a strategy. Right now, there is about \$7M in the estimate that is for the painting of the existing bridge structure. Painting wasn't included in the project originally, but it made sense to have one contractor out there for one work window. This part of the scope could be eliminated if needed and done later using preservation funding. Beyond that, all of the work needs to be done between Marsh Road and SR 2, so there are no additional big savings.

Co-Chair Zamzow observed that the noise wall for the SR 526 project caused some real challenges in terms of having enough money. The TF is trying to understand the Legislature, which is a little frustrating because the Engineer's Estimates and bids have been different; there's been a disparity between the original budget and what the project actually costs. Those disparities may have appeared as if they are out of control. Other similar issues cause projects to go over budget. He asked whether WSDOT reports back to the Legislature regarding costs outside of their control. For example, that the environmental regulation for the noise wall is adding some amount of cost to the project.

Art doesn't believe that WSDOT has done **that**. He believes, however, that there is something in the technical requirements about reporting the cost of noise walls. He indicated that WSDOT can look into **that**. This is another Connecting Washington project. While it has more wiggle room, this project might still need to have the maximum funding restriction in the specifications.

Greg said the team is not planning to include **it**. They've been told by the Legislature that they can't exceed \$5M or 10%, and that falls within their budget.

Co-Chair Riley-Hall asked whether there has been an opportunity to combine the two North Spokane Corridor (NSC) projects, SR 526 and SR 9, into one, considering there might be economies of scale because there are noise walls and girders in both. She also asked whether there has been any form of Value Engineering since they are both at 100%.

Curt said they are two separate projects and line items in the Legislature's budget, each with its own program identification number (PIN). The funding is allocated to the PIN for one project and if WSDOT were to combine the projects, he doesn't think they can combine PINs.

Greg noted that the amount of time it would take to combine them would take the projects past current AD dates of January 6th which means they would have to reapply for permits on the SR 9 project. The duration to receive permits was the main reason to do the project as DB instead of DBB.

Santosh observed that the scores in the project delivery method selection process SR 9 were much further apart. The scores on SR 526 were much closer, just a point of difference. There needs to be some design certainty. He asked whether this was because of the specialty bridge painting work.

Greg said yes. On the SR 526 project, there was no need for right-of-way (ROW) acquisitions, no impacts to wetlands, no in-water work. But, for SR 9, there was complicated permitting from environmental agencies for in-water work to account for the enormous river bridge they are installing in the floodplain. In addition, they are getting an aerial easement from BNSF to install a bridge over the railroad that adds at least two years. They are learning through this process. All the ROW and environmental permits required to build SR 9 were so much more complicated and the duration to get them was so much longer that they would be at 30% and still have those items to do before starting construction. It was deemed that one reason it's a 10/5 would be to allow WSDOT to get to 100% and go into construction rather than doing the DB process.

Santosh asked whether it is fair to say there is no scenario under which SR 9 would go DB because of the criteria that Greg just mentioned.

Curt noted that the only way WSDOT would do the project as DB would be if they were directed to do so by the Legislature. Given the constraints of the SR 9 project, it doesn't make sense otherwise.

Santosh observed that certain types of projects by their sheer nature have to go DBB, and this is a good example of it. The TF should synthesize that idea into a recommendation.

Curt added that, though there are projects that lend themselves to DBB, they still should go through the process of looking at the project delivery method history and confirming.

John Chi noted that the issue is all about allocation. When they look at the issues associated with the project—the environmental permitting, the ROW coordination with BNSF—they are all risks. The question is: do they believe the risks are better handled by WSDOT or a contractor? They look at those questions and make a decision. They also look at whether the project is straightforward or requires innovation. They look at the maintenance of traffic for all those circumstances, go through the process the team is considering with the checklist and determine how each project is different.

Stuart said that, looking at the schedule, WSDOT is up against the January date; there is not a lot of extra float to start working in 2025. He asked whether an early recommendation on this project would help WSDOT get this project built. Greg said that, if everything goes according to plan, they will be ready to advertise on November 4, which would allow the contractor to hit the 2025 fish window. They set the AD date for January 6; however, they would be open to the opportunity if the board allowed it, to advertise earlier, on November 4.

Stuart observed that, if the TF can determine a couple of jobs earlier than the December date, it would help WSDOT.

Santosh noted that—based on the features that Greg mentioned such as the permitting, specialty work, not a lot of opportunity for innovation—SR 9 is a type of project that does not have a great likelihood of going any direction other than DBB.

Co-Chair Zamzow agreed that there does not appear that there is another project delivery method to use at this juncture in a project that WSDOT has been working on for a while.

Lekha Fernandes also agreed. She does not see wiggle room, nor is she seeing innovation, just a lot of restrictions.

Robynne noted that the statute allows WSDOT to use DB when there is a need for innovation, but if those factors are not present, then WSDOT does not have the statutory authority to choose DB.

Co-Chair Riley-Hall added that she is not sure that, even in the beginning of the project when WSDOT was doing its review using the checklist, there would be much need for innovation. The project seems as if it would have lent itself to DBB early in the process.

Robynne returned to Santosh's concept of bookends. If there is a project for which the TF can say it's a good example of a DBB project, it would help to set one end of a spectrum.

Santosh commented that, because of the specialty nature of the work, and that there is a little room in the budget compared to the Legislature's budget, he would like to know how confident WSDOT is on contractor availability given the timing of the specialty work for bridge painting.

Curt said that, given the state of the preservation work, contractors will be looking for work next year. WSDOT thinks they will get decent prices and decent bids on these projects.

Stuart agreed that there are not many projects over \$50M and not DB, so those that don't do DB will look for work. WSDOT may get five or six bids and they will be competitive.

Jessica Murphy agreed that this is what her agency would call a bread-and-butter project. There is a track record and history. There is not much to be gained even if WSDOT were at 30% design and had multiple options available. In terms of best value, this would not have been a good candidate for an alternative delivery method.

Terrence Lynch, project engineer for NSC projects, gave a presentation on the SR 395 project, part of a suite of projects that have been under construction since 2001.

Geoff noted that DB is usually a faster delivery method than DBB. He asked whether WSDOT considered using an alternative delivery with respect to time.

Terrence said that WSDOT filled out the project delivery form in October 2022, and the form indicated there weren't any opportunities for innovation. There wasn't any benefit in getting the project out earlier because the funding was provided in the 2015 Connecting Washington revenue package, which is only given in biennial increments. One of WSDOT's challenges has been to find projects of the right size to fit the money they were given. WSDOT didn't want to go out early with this project.

Santosh asked whether a Value Engineering study was done at all for an option other than a bridge—maybe a fill.

Terrence noted that this project has been around for a long time. A Value Engineering study was done in 2012. Tom Brasch and Larry Larson were involved. The project evolved a lot over the years. Initially, it was going to be sunken and now elevated.

Santosh observed that this might be a good candidate for Accelerated Bridge Construction.

Larry Larson said that the team did look at fill options, but there were east-west connectivity issues for several streets. The fill option would have required a lot of walls, which would have created some problems for that project. Also, the project isn't on the critical path for the I-90 connection, so there is not an advantage to accelerating it. It needs to get done, but it's the connection to I-90 that is the capstone of the project. WSDOT has been able to slide the project forward and backward. There is no real need to hurry it; it just needs to be done at same time as I-90 connection.

Stuart asked whether this DB package was always separate from the I-90 connection project.

Terrence confirmed that the project has always been separate. Four or five years ago they changed the project: it was going to be Sprague to the Spokane River, but then WSDOT broke that down into smaller projects to make them more conducive to the local bidding climate and make sure they found projects they could right-size within the funding stream they had.

Co-Chair Zamzow noted that WSDOT had railroad agreements in progress. Projects involving railroads are notorious for being complicated. He asked whether they are confident they can maintain the current schedule.

Terrence said he's been dealing with railroads for the better part of two decades on the NSC project. He's been through the Union Pacific BNSF guidelines to submit and get approved toward the C&M agreement and air-space agreements that they need. They are moving along with this project, and they are confident. But there is always a risk something could slow them down.

Co-Chair Zamzow said there has been some discussion about multiple projects in Spokane. Art has alluded to four jobs.

Terrence showed the NSC map and the projects on his screen. The bottom oval on the map is the I-90 connection, which will be discussed another time. It has been broken into four different DBB projects with staggered starts, but it would make sense to present to the TF as one big project. The Stage 2 project is at 70%, so it will probably be presented next.

Co-Chair Riley-Hall asked WSDOT to confirm that the Stage 2 project is on pause for design.

Terrence noted that WSDOT is still moving forward with design. The project had an AD date of August 5, 2024, and the project is a lot more complex for the interchange with SR 290, and WSDOT already had a consultant hired to design bridges. Not knowing what the AD date might be, they wanted to keep on the path. But they are in the process of moving the Stage 2 AD date further out.

Co-Chair Riley-Hall shared her concern, if WSDOT is moving along with design, they are reducing the ability to change the delivery method.

Jessica noted that one of the risks with corridor projects can be having multiple contracts. She asked whether the project, in a long corridor where there is already construction, was abutting an already existing contract. Additionally, she asked whether there might be risks of differing site conditions, and whether WSDOT is predicting a future existing condition, even though it's a basic six-block bridge.

Terrence confirmed that WSDOT recognized the risk in some of their projects north of the Spokane River. There is a fair amount of overlap, and it did cause some construction impacts. In this project, they will have overlap because the Stage 2 project he just discussed, and the 490 projects will be started before the Stage 2 project is completed. They can't really afford to wait for one contract to be completed before they start others, or they will never hit the 2030 completion deadline that they are targeting.

Jessica asked whether WSDOT has budgeted for those risks.

Terrence responded WSDOT directs the contractors to work on a specific pier. They make sure that each contractor has completed their work and then they wait. There is a lot of work to do, and he indicated that he doesn't think it's going to have a significant impact on each contractors' work.

Jessica suggested, sometimes when there are a bunch of low-bid contractors at match lines, making one of them alternative delivery with a contractor signed up to work with the other at the match line can be a strategy.

Arthur Antoine asked what WSDOT's change management system is if additional funds are sourced or if WSDOT identifies features for additional value.

Terrence acknowledged that WSDOT could revisit the project delivery method based on changing circumstances. In early 2024, they changed the delivery method for a project because they looked at the project with a different lens than when they originally selected the method. The project delivery method can be revisited.

Arthur noted that there may be a case where a project starts off and the agency sees a benefit to using General Contractor /Construction Manager (GC/CM) because there could be benefits from interaction with the GC/CM to roll out the project more efficiently based on feedback.

Co-Chair Riley-Hall invited a general discussion from both TF members and stakeholders.

Stuart said that, for a 100% cookie-cutter project, DBB seems like the way to go.

Co-Chair Zamzow agreed that separating these projects from the remainder of projects and bundling recommendations for the cookie-cutter projects makes sense.

Robynne noted that not every project is suitable for alternative delivery. The TF should not try to put square peg into round hole just to say they did it. Some projects are straightforward and lend themselves to a straightforward delivery method. She likes the idea of looking at projects that are largely fully designed and creating an interim report. CPARB meets in September, which is not that much time to get out a report to CPARB and get it on the agenda. At the next meeting she suggests they talk about the structure of a report and what they want to say (instead of seeing a presentation on the not fully designed projects). TF members keep saying the same thing about these projects, it would be great to encapsulate those ideas while fresh in their minds, make a decision and move on.

Co-Chair Riley-Hall agreed. Taking into consideration what Robynne said, there would potentially be three reports: the one the TF has already submitted, this interim report, and the final one. She called for a vote on creating an interim report. She solicited comments from TF members through a roll call. All members were in agreement about the path forward.

Robynne Thaxton moved to create and draft an interim report. Co-Chair Riley-Hall seconded the motion.

There was a short discussion on the motion.

Co-Chair Riley-Hall said that the TF will agree to create an interim report and, at the next meeting, decide what goes into report with just these DBB projects in it.

Arthur agreed that the description of these three projects seems similar, which makes for a nice smaller package, each distinctly describing the separate kind of project delivery models and scenarios.

The motion was passed by a unanimous voice vote.

Robynne made suggestions for the next meeting:

- The TF will have a discussion, put together recommendations and specific policies.
- Everyone on the TF should look at the structure of the previous report where there was a discussion of projects then recommendations, then thoughts and suggestions to give to WSDOT.

Co-Chair Riley-Hall noted that there will not be time for much more in the next meeting. For a backup plan, she suggests having WSDOT be prepared to present the other projects if there is time.

Art added that the remaining presentations will be on the rest of the NSC projects There are five or six projects and four of them are in the I-90 corridor. WSDOT will work on that for next time.

Co-Chair Riley-Hall moved to adjourn the meeting. Co-Chair Zamzow seconded the motion. The motion was passed by a unanimous voice vote.

Next Meeting Agenda

The agenda for the August 7 meeting will include the following:

- Review and approve notes from the July 24 meeting.
- Discuss the contents of the interim report and TF recommendations.

The meeting was adjourned at 4:44 p.m.

Next meeting: August 7, 2024, 3:00 p.m.

Action Items

1. TF members will review previous report to become familiar with its structure.
2. TF members consider alternative language WSDOT can use during advertisement vs. placing a bid limit range for bidders. (see page 4)

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](#)
- [GCCM Certification Application](#)
- [WSDOT Cost Estimating Manual for Projects](#)
- [Meeting Documents for July 14 Meeting](#)