

Location: via Teams

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

Committee Members: (12 members, 7 = quorum)

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| x Linneth Riley-Hall, Transit, Co-Chair | x Tom Zamzow, Walsh Construction, Co-Chair |
| Bob Armstead, NAMC MBE | x Santosh Kuruvilla, Engineers |
| Lekha Fernandes, OMWBE | x Stuart Moore, Atkinson Construction |
| Bobby Forch, MSVBE | 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 |

Guests/Stakeholders:

- | | |
|--------------------------------|-------------------------|
| x Talia Baker, DES/CPARB Staff | x Larry Larson, WSDOT |
| x Melanie Baldwin, WSDOT | x Jessica Letteney, MFA |
| x Thomas Brasch, WSDOT | x Terrence Lynch, WSDOT |
| x Nancy Deakins, DES | x Monique Martinez, DES |
| x Bill Frare, DES | x Art McCluskey, WSDOT |
| x Thrall Hershberger, Kraemer | x Jerry Vanderwood, AGC |
| x Robyn Lashbrook, WSDOT | |

The meeting began at 3:03 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

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

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

Approve Minutes from 09/18/2024 Meeting

Co-Chair Riley-Hall requested discussion or edits from the group on the minutes from the 9/18/2024 meeting.

Robynne Thaxton noted that, on page 8, in the second-to-last paragraph, she requested deleting notes ascribed to her: "She's seen alliancing...to bid out." Santosh Kuruvilla noted that he brought in the topic of project alliancing and Robynne said she didn't remember talking about that. The corrections were made.

Robynne Thaxton moved to approve the minutes of the September 18, 2024, meeting as amended, and Santosh Kuruvilla seconded the motion. The motion to approve the minutes was approved by a unanimous voice vote.

Debrief Discussion with Doug Gransberg and Keith Molenaar

Co-Chair Riley-Hall said she appreciated hearing the perspectives of Doug Gransberg and Keith Molenaar on the delivery methods and appreciated the TF members' questions and clarifying viewpoints. Some of the points on Design-Bid-Build (DBB) and the results were interesting.

Robynne said she enjoyed listening to them. The discussion was fascinating, and everyone contributed. It was a good perspective from a national level from people who had done a lot of research on the topics.

Santosh said he expected the presentation to be more theoretical. It was refreshing that they knew what they were talking about; it was clear they had years and layers of experience.

Metin Keles asked whether the presentation slide decks were available.

Minutes prepared by Jessica Letteney, Maul Foster & Alongi, Inc.

Co-Chair Tom Zamzow noted that the slides are on the website in the actual meeting. He said the presentation validated a lot of his assumptions but the number of small Design-Build (DB) projects across the country surprised him. The data shows that the method seems to work—he noted low claims and low increasing costs. Maybe it's being used somewhere else. For projects at less than \$10 million and less than \$5 million, DB is being used across the country successfully.

Talia Baker will put the slides in the Resources section of the website.

Robynne said that she doesn't know of another state that has the threshold that Washington does for the size. She teaches a contracts course all over the country. Some owners use DB on a smaller project to get used to the delivery method. They don't start off using it on their largest projects; they work their way into it.

Co-Chair Zamzow said it would be an evolution for the contracting community, which is continually adapting.

Robynne would love for TF members to think about what information from the presentation (if any) should be included in the final report recommendations.

Stuart Moore said that the point at which the price is established is price certainty. In Progressive DB and General Contractor/Construction Manager (GCCM), the price is established really early. Then DB is next and for DBB there is about a year between each. Keith and Doug said that when there are big changes in a job it's usually scope, not the contracting model, which doesn't have a huge effect on price. Another key takeaway was that the success of a project is dependent on the owner and relationship between contractors and owners.

Co-Chair Riley-Hall noted that, with regard to relationship, in DBB, the owner doesn't have a say in the relationship because of the requirement to accept the low bid. This is in comparison to alternative procurement, which is qualifications-based and more based on relationship. In DBB, the owner doesn't have the luxury of selecting a partner based on qualifications.

Stuart said that the way the owner treats the contractor and works together is important in DBB also. WSDOT is usually good about treating the contractor fairly and contractors will take that into account when doing future pricing. There are some owners that contractors won't work for.

Quick Refresher on Remaining Projects from WSDOT

Robynne asked WSDOT to confirm that the four projects in the refresher do not include the two that were under \$2 million.

Thomas Brasch confirmed that the presentation does not include the two that were under \$2 million.

Thomas reviewed the presentation from the previous TF meeting and touched on key points for the four remaining projects that were part of connecting to I-90 with interchanges, the US 395/NSC to NSC/I-90 Connection. The scope includes several big bridges in Projects 2 and 4. But Projects 1 and 3 also have at least two bridges each.

A lot of the work is city street improvements because there were city streets abutting the work. The big work is the flyover ramp and connections. The design for all four projects is currently less than 30% complete. WSDOT is finalizing plans, starting the preliminary bridge planning, interchange justification report for the Federal Highway Administration (FHWA) and beginning to finalize agreements with the City of Spokane to lock in what they are doing. The advertising dates are all in the future, with Project 1 due to be advertised in December 2025, Project 2 in April 2026, Project 3 in August 2026, and Project 4 in February 2027. The goal is to have all complete and traffic flowing by 2030.

WSDOT completed a delivery method selection process in 2019. The original choice was DB, but they re-engaged with the process, re-scored the project, and chose DBB. Most, if not all, of the right-of-way (ROW) for this section has been acquired. WSDOT owns property along the I-90 corridor. They updated cost estimates at the end of September. The cost range for all four projects is \$340–350 million.

There is the same risk level for each one. The biggest risk is neighborhood impact and involvement, which is why community engagement is the key risk. The residents have been asking WSDOT to tell them what the project will look like. They now know what to expect and they are in a good place. They are looking for information from the construction side at this point.

WSDOT is doing stakeholder coordination with the City of Spokane, and they have a good relationship. WSDOT shares how the project affects their streets and neighborhoods and holds monthly or weekly meetings with them to talk about how to address impacts.

Other project risks include large fluctuations in market conditions. Delivering these projects requires both the WSDOT team and consultants (for bridge design, geotechnical work, and community engagement). They are beginning to talk about how they will accommodate the projects and overlap. For example, part of the project will require center piers. Coordination is needed any time there is work on a center pier with traffic on either side.

The geometry of the alignments is locked down. WSDOT defined the ROW footprint in 2005–2006 because the community wanted relief from the project. It is not an option to expand the footprint of the project.

These four projects are not necessarily impacted by waiting until December 2024 to get the TF's recommendations, because the advertising dates are in the future. They believe they can deliver the projects on time with a December report and recommendations.

Co-Chair Riley-Hall asked whether the design on each subproject is continuing or has been paused.

Thomas said WSDOT has not paused work; they have continued to design.

Co-Chair Riley-Hall noted that WSDOT estimated that the cost would be approximately \$340 million for all four projects. She would like to what know the least amount is for any one project.

Thomas said that, for Project 3, they are in the \$60–70 million range. The highest estimate is for the first phase, the flyover ramp, which is in the \$100–125 million range at 30% design.

Co-Chair Riley-Hall asked about the January 2024 evaluation of the delivery method and whether WSDOT included only DBB and DB or also progressive DB, GCCM, and heavy civil delivery methods.

Thomas said that they just looked at just DB. If WSDOT chooses DB, they still have the opportunity to evolve into other methods of DB delivery.

Art McCluskey said that the form WSDOT uses only addresses DB and DBB. Progressive DB, a method WSDOT used for the Gateway project, wasn't considered for the projects in the North Spokane Corridor (NSC).

Co-Chair Riley-Hall asked WSDOT whether they thought it was fair to say they hadn't considered all of the delivery methods for the project.

Larry Larson said he would like to explain why the worksheet took them to DBB. The project had the same risks as before—community engagement. WSDOT wanted to manage that risk on an ongoing basis. The City of Spokane is a major stakeholder. Their roads are affected by this project. They expressed strong concerns about whether WSDOT would be able to manage the risk with the DB contract. Changing to a DBB contract allows WSDOT to manage the risk going forward. He noted that Thomas Brasch talked about the 30% design and geometry. But the location, elevation, and alignments are set. The opportunity for innovation is behind them. At 30%—the project is designed, but that does not mean that there is 70% of opportunity left. In the 70% phase, they document the plans and decisions they made.

Co-Chair Riley-Hall requested that WSDOT clarify a point. Community engagement was noted as a top risk but that could mean something totally different to WSDOT than to the members of the TF. She would like to hear about the risk from WSDOT's perspective.

Larry said that community engagement for this project is a process of collaboration with and informing the public. For example, where the series of interchanges called the Trumpet tie in to I-90, WSDOT used community engagement to help them decide that the Trumpet structures would be open. Additionally, the community chose piers rather than fill because that community had been bifurcated by I-90 in the past. Other parts of the community engagement are related to how the architectural features look, such as how the shared use path that crosses I-90 will touch down and whether there will be plazas for gathering points. All parts of the effort are informative. WSDOT tells the community how they are implementing

the suggestions and recommendations from the community. As a recent example, they talked to the community about what kind of structure they wanted to see for the shared-use path. The options were concrete girders or a truss structure, and the community almost unanimously chose truss structures. It's a wide range of relationship-building, interfacing with them and helping them influence the structure. That is the broad picture of what WSDOT means when they talk about community involvement.

Co-Chair Zamzow said he heard that there is not a lot of room for innovation. He wondered whether WSDOT has defined what the interfaces are and where they will take place in each of the projects. And he'd like to hear more about the maintenance of traffic during construction as a risk. He'd like to know from Thomas whether there would be innovation in adjusting those locations based on some sort of contractor input or whether another method would be considered. In other words, the interface presumes they have four separate contractors working out there. Somewhere there would be a pier where contractors 1 and 4 will be working on same pier at the same time. That is a potential point of conflict that could be affected by maintenance of traffic--when they go and where the cars are. Maybe managing the risk means that they decide the interface shouldn't be on the pier but on the abutment. He'd like to know whether the way they've planned to do it is the obvious only way.

Thomas said that the projects have overlap and will definitely have lane closures and tapers and shifting of traffic. From the general perspective, Projects 1 and 3 and 2 and 4 are put together to minimize the coordination effort. WSDOT will identify this in the contract provisions. There will be order-of-work specials that say that they know when a bridge or abutment will be done and coordinate when contractors start and stop in certain areas. There will be some points of contract work that have only one or two ways to do it. If the work affects another project, they will have to use an alternative route or shoo-fly. They've been thinking of the strategy and laying it out so all projects will be packaged enough that the physical work is contained within the limits so that the overlap would be more in the maintenance of traffic.

Co-Chair Zamzow said that there is not much time to adjust a design, and it doesn't seem like they have much flexibility in scope variability, both of which are factors that relate to cost certainty. He asked whether WSDOT has identified a bike path that could be put off, if needed, to get the main project constructed.

Thomas said that if they could allow adjustments in how the alignments interface, any of those adjustments would have a connection effect, such as where the on- and off-ramps would go or moving the connection forward or backward. If they shorten a ramp or connect in a different way, those are the types of changes that would trigger an FHWA traffic analysis to see the effects. The interchange justification report to the FHWA is based on the current design. And the FHWA due diligence would trigger running another traffic model to change it.

Co-Chair Zamzow asked whether that would mean a significant delay.

Thomas said it would, because WSDOT lays out values and assumptions as a first step. In that discussion, they talk about how they are evaluating the traffic, which model is appropriate, and the out-year appropriation. He noted that there would be some delay in getting those results and a concurrence on the results.

Larry said that Co-Chair Zamzow's point was an important one. When they were going to DB, they didn't think there was much room for innovation. But the benefit of DB lies in construction, staging, and traffic control. Having one person in control of the sandbox rather than multiple people playing is the advantage of DB.

Co-Chair Riley-Hall asked WSDOT whether they have now thought about another review with all of the delivery methods, comments, and discussion points using more than just DB and DBB, and whether they have thought about their rationale for splitting it up versus making it one project.

Thomas said that WSDOT has not taken a step back. They are trying to remain focused on a 2030 delivery date. Using a different method would interrupt the timeline. They are looking at the project in the vein of what makes the most sense for efficiency, looking at risks appropriately and including other factors that can increase the costs. Market conditions and funding are always a potential risk. They have tried to keep looking forward and identifying and mitigating risks is a key role that the Design Unit is looking at. When they talk about risks they are talking about utilities, hazardous materials,

maintenance of traffic, and others. They are a little worried about what a decision could be if it goes the other way. He doesn't want to overestimate what would happen on the project. They couldn't turn the DB project around. All the funding would have to be obligated as one to turn the four projects into one. Right now, the funding is in different bienniums, which is a worry. They would have to move it all back and it would be a challenge. Those are things they all worry about.

Larry added that, formally, WSDOT hasn't considered making it one project. Informally he has talked to folks who have done progressive DB and whether it would be more of a risk or benefit. For example, in GC/CM the agency chooses the construction manager early in the process and that can be an issue when bringing in public input, because it can be a tug of war regarding scope. The eastern Washington region is a relatively small region and there are not a lot of big projects to come after the NSC projects. There are not a lot of reasons to develop a large workforce with the expertise to do progressive or GC/CM. It doesn't make sense to bring on staff who are trained in GC/CM delivery. Once they're done with NSC, they will go back to smaller bread-and-butter-projects. They could bring staff in from the west side or consultants to help with Progressive DB or GC/CM.

Stuart noted that the meeting is morphing into an open discussion. He wanted to know whether the group would look at WSDOT cost history or weigh DB and DBB. He said, looking at the projects schedule-wise, under DBB, they could be done February 27. If switching back to DB, they may go out for advertisement mid-2025 or issue a statement of qualifications (SOQ) March 2025, request for proposals (RFP) in July 2025, award January 2026, and finish in 2028 or half of 2029. It appears that they would get done a year earlier using DB. If they chose GC/CM or Progressive DB, they wouldn't beat that schedule by much because they missed the opportunity that was discussed two weeks ago. In summary, using GC/CM, DB, or Progressive DB would allow them to finish in 2029; using DBB, they would be finishing in 2030. He asked WSDOT to confirm.

Thomas said they would have to get an SOQ out now or sooner if they did switch back.

Larry noted that that type of schedule seemed very aggressive, and thought they are not in a position to do it that quickly and start construction within a year.

Thomas said that, even prior to changing methods, they would have to double the timelines to get there. They could probably shave a little time off—with three to six months on the SOQ or RFP, but he thinks it would be a little longer than that.

Stuart said that durations are given, but the variable is when WSDOT would put out their SOQ, and whether it would be six months or three months from now. They would have to add some review time as well.

Co-Chair Zamzow said three months then another month and a half for review, with the same true for the proposal, but Stuart is in the ballpark.

Art said that when the SOQ is put out, a significant amount of the RFP is also done at that time. There is an effort to get the RFP to a point where it can be issued as soon as the SOQ is done. The time frames between SOQ and the proposal are standard but getting up to the point of the SOQ—because of all the work that needs to be done on the RFP at the same time—that is the issue. That work does not seem to be reflected in the schedule that was just penciled out.

Stuart said maybe it would be a year until they could do the SOQ and asked for confirmation.

Thomas said it would be at least a year if they changed delivery methods in November. From one November to the next would be the amount of time WSDOT would need to feel comfortable understanding what the limitations are, packaging something, and having something meaningful to show. If they shifted this winter before the end of the year, they would still need about the same amount of time to package things up and go to bid.

Terrence Lynch said he's done DB. Having gone through DB procurement process, they are at least 12 months out from when a decision is made. The eastern region is light on experience with it. It is a complicated RFP that would need to capture all the basic configuration items and weave in the City of Spokane requirements.

Regarding GC/CM, Jessica Murphy said that WSDOT indicated they don't have the experience for GC/CM but then they said that it can or can't do some things. She thinks GC/CM can be used for a lot of things with the right people.

Santosh asked whether some other adjacent projects have any environmental commitments that would affect the schedule of the project.

Thomas said not that he can think of. Decisions about funding one project compared to four would occur during development. Maybe four projects become two, but there would have to be a budgeting change which is a separate process from developing the SOQ or RFP. They would need to have that process in place before they ever issue the SOQ. The budgeting change would probably be a legislative action not a supplement the following year, which might influence the budget cycle.

Larry noted that schedule is a risk that WSDOT wants to manage but the major risk they have been controlling is community involvement. Managing that risk is what led them to DBB. Jessica is correct; although he only knows a little about GC/CM, he talks to people who are experienced with GC/CM.

Co-Chair Riley-Hall requested comments from TF members who have not spoken but want to say something. None were forthcoming.

Review of WSDOT Project Cost Data

Stuart said he put the WSDOT cost data in a spreadsheet and could show them the different categories. He said it's not scientifically audited but he can show what the general trends are.

Art clarified they submitted a spreadsheet of costs for 2017–2024 that showed DB and DBB and it had been sorted.

Stuart said he didn't see the spreadsheet. But from his analysis, from 2016, DBB projects were 3% under budget. Taking out Progressive DB, all the DBs were over by 2%. Looking just at Brickyard and Portage Bay, they were over by 39%. Excluding those two projects, all DB projects were under by 9% of Engineer's Estimate. Looking from 2022 to the present without Brickyard and Portage Bay, they were under by 2%. Other than those two jobs, WSDOT is not having a problem, but they've had some volatility lately, especially on fish passage projects. There are ups and downs, but overall, they are not over the Engineer's Estimates.

Co-Chair Zamzow noted that the percentages for 2024 are way over.

Art said that what Stuart is quoting is what he remembers from the spreadsheet of 800 projects he sent. Projects were around 2 to 3% around the Engineer's Estimate. He submitted the spreadsheet because of the question the TF posed about excluding Portage Bay and Brickyard.

Co-Chair Riley-Hall added the spreadsheet to the chat and Talia emailed it to TF members because it was too big to put on the website.

Stuart said that the patterns made sense after looking at the amounts in contracts that WSDOT had. In 2019, they had \$1.3 billion; in 2020, \$760 million; in 2021, \$800 million; in 2022, \$1.3 billion; in 2023, \$3.66 billion; now in 2024, \$800 million. There was a steady amount of work and subcontractors to do the work. In 2023 there was a massive explosion in the number of jobs and fish passage projects. There was no way contractors could even bid on all of that work, much less do it. Contractors were raising margins on subcontractors probably about four times, so that they wouldn't get every job. There were so many subcontractors doing the same scopes on every job. The precast barriers firm has four times as much work to do in one year. It was a short-term blip of price explosion in 2024, and a chain of events that all happened at once—not a problem with Engineer's Estimates.

Robynne said she making notes on what the TF needs to look at or understand before they are able to produce the report and make some recommendations. She is trying to be prepared and get information on various projects. She will probably reach out to WSDOT on some details, but she thinks she has sufficient information to engage in the discussion of the next four projects. She would like to see everyone review the information and let her know whether the recommendations that

were originally proposed should be carried forward or whether there should be additional recommendations. They have a base for their recommendations.

She also looked at numbers broadly and had the same thoughts as those that Stuart just expressed. She looked at the anomalies. It was nice to see that he crunched the numbers. She can put together a draft report and send out the recommendations. She would like to know whether TF members' minds have changed or whether there are additional thoughts. It will be a nice start to see whether their recommendations have changed after seeing everything.

Co-Chair Riley-Hall said that an item for the next meeting is to discuss the delivery method for those four projects and whether they agree with using the DBB method on those four projects.

Joe Kline thought it was interesting that WSDOT says they will go back to bread-and-butter projects after the four big NSC projects, and that they don't think they need to develop the Progressive DB or GC/CM skill set. Even renewal or maintenance projects are still in the tens of millions of dollars. He wondered whether developing those skill sets would be of value and whether WSDOT would be open to discussing it.

Next Meeting Agenda

Co-Chair Riley-Hall noted that the TF needs to discuss the last four NSC projects. A second agenda item is to discuss the last two reports that the TF submitted and revisit the recommendations that the TF has made, including those that they saved for the final report. She reminded TF members to go back to their notes and the minutes and refresh themselves on the recommendations so that they can discuss the final report. She and Co-Chair Zamzow and Robynne will discuss anything that needs to be in the report.

The agenda for the October 16 meeting will include the following:

- Discuss the last four NSC projects.
- Discuss the last two reports that the TF submitted and revisit the recommendations that the TF has made, including those that they saved for the final report.
- Discuss the final report.

Co-Chair Zamzow moved to adjourn the meeting; Metin Keles seconded the motion. The motion was approved by a unanimous voice vote. Co-Chair Riley-Hall adjourned the meeting.

The meeting was adjourned at 4:25 p.m.

Next meeting: October 16, 2024, 3:00 p.m.

Action Items

1. Talia Baker will finalize the second report and resend it to Co-Chair Riley-Hall.
2. Robynne Thaxton will send the list of prior TF recommendations out for members to review.
3. TF members are being asked to review their recommendations from past reports and meetings and forward them to Robynne Thaxton.
4. Co-Chairs Riley-Hall and Zamzow will talk to Robynne offline to review the final report outline and determine whether there are any additional items to include.

Resources

- [WSDOT Project Delivery Method Review Task Force Home Page](#)
- 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](#)
- [Design-Build Manual | Manuals | WSDOT \(wa.gov\)](#)
- [Guidebook on Alternative Quality Management Systems for Highway Construction | The National Academies Press](#)
- [WSDOT PDMR Task Force Legislative Report #1](#)
- [WSDOT PDMR Task Force Legislative Report #2](#)