

**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  |
| x | 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           |
| 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 | Melanie Baldwin, WSDOT       | x | Jessica Letteney, MFA                  |
| x | Thomas Brasch, WSDOT         | x | Geoff Owen, Kiewit                     |
| x | Nancy Deakins, DES           | x | Janice Zahn, CPARB Chair and Ports Rep |

**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 Tom Zamzow welcomed everyone to the Capital Projects Advisory Review Board (CPARB) WSDOT Project Delivery Method Review Task Force (TF).

**Approve Agenda and Reconcile Meeting Time**

Co-Chair Zamzow reviewed the agenda and requested any suggested changes to it; none were forthcoming.

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

**Approve Minutes from 08/07/2024 Meeting**

Co-Chair Zamzow requested discussion or edits from the group on the minutes from the 8/7/2024 meeting; none were forthcoming.

*Santosh Kuruvilla moved to approve the minutes of the August 7, 2024, meeting, and Joe Kline seconded the motion. The motion to approve the minutes was approved by a unanimous voice vote.*

**Interim Report Review and TF Recommendations**

Co-Chair Zamzow opened the topic of the interim report.

Robynne Thaxton noted that she hopes to have the interim report done by the end of this week. She will reference the sections on delivery method and background in the previous TF report: the primary risks, opportunities, and rationale for selection of Design-Bid-Build (DBB) for these. The TF recommendation is simple because the projects are designed, which means they don't meet the statutory criteria to use other delivery methods. For Design-Build (DB) and General Contractor/Construction Management (GC/CM), it's not a best practice to use an alternative delivery method when a project is fully designed. She invited TF members to comment.

Co-Chair Zamzow noted that the question as to whether to include Stage 2 in the report was still open. His understanding is that Robynne will include the Stage 2 project in the draft and the TF can discuss. The Stage 2 project has been designed

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

and will be bid separately from the other subprojects for the North Spokane Corridor (NSC) group. If the TF decides to take out the Stage 2 project, she can take it out. In the next couple of days, TF members will receive the draft report. The contents will include summaries from the WSDOT presentations on background and rationale and will include citations to a specific source, the materials on the TF website, or a WSDOT presentation. The main recommendation will be that the projects included in the report are appropriately DB.

Bob Armstead said that, in the last meeting he had a concern about including the Stage 2 project because WSDOT did not initially recommend that Stage 2 be included. The conversation shifted after others on the TF said there were reasons for wanting to include it, but Bob still has his reservations.

Thomas Brasch said that WSDOT didn't include the Stage 2 project only because they thought projects had to be at 100% design and Stage 2 is at 75 or 80 % design. WSDOT is ok with including Stage 2 in the interim report. Having the TF recommendation would give WSDOT flexibility in how and when they advertise the project.

Santosh Kuruvilla noted that he wanted to be careful in using the term "fully designed." Maybe the report use phrasing such as "in two instances, the documents were ready for construction." Fully designed implies that all documents are ready for construction, which was not what WSDOT said for Stage 2.

Robynne said it would not be a best practice in DB or GC/CM to use those delivery methods because a contractor should be on board before some design decisions should be made. She invited discussion on modifying the recommendation for the report.

Santosh suggested that there are ways to indicate the overall project status other than using the term "fully designed," such as "the projects and documents are ready for construction."

Robynne agreed that accuracy in the report is important; she will make a note about the language issue. She noted that the projects the TF plans to include are too far along in design to be eligible for using another procurement method. She asked TF members to weigh in on whether the status of the Stage 2 project at 75 % changes anyone's recommendation.

Santosh noted that the 75 % designed status leaves the door open to have a little bit of a cost estimating conversation. There may be room to do a better cost estimate.

Robynne noted that the recommendation is not to use an alternative delivery method.

Santosh noted that the Legislature's concern is about estimates coming in high. The TF will need to address that concern in how it presents that recommendation. It's important to stay away from the term "fully designed."

Robynne said if someone has a recommendation for some activity prior to bidding out, it would be good for the TF to discuss.

Santosh said that, with the small opportunity for influencing design at the 75 % stage on the Stage 2 project, he would like to hear ideas about whether there is anything to say about getting closer to price certainty. In two instances WSDOT still thought there may be some kind of consideration for DB. The other projects were clearly fully designed under DBB.

Co-Chair Zamzow observed that, for the Stage 2 project, the other project is 75% design, southern portion of a bridge that ties to another section on a common pier. The railroad coordination and right-of-way (ROW) work has taken place. There does not appear to be any opportunity for innovation. WSDOT is limited in where it can put a pier in the railroad yard. WSDOT has decided how high, wide, and long the bridge would be. The room for innovation in the project would be

extremely limited. In his eyes, it made sense to include Stage 2 as part of the report. There may be innovation, improvements, and optimization that could take place in the other NSC projects, so the TF is reserving the opportunity to discuss more. The presentation on those other projects will be the second part of this meeting's agenda. During the last meeting, the TF decided to include the Stage 2 project. He notes that Robynne has said she will be careful with the language, so he recommends that the TF members review the report. There will be an opportunity to take out the Stage 2 project if they choose.

Santosh agreed that Co-Chair Zamzow's remarks added clarity that there is not room for improvement. Using language like that will go a long way in confirming that the work can be done. He wants to make sure that the report stays away from the term "fully designed."

Geoff Owen noted that another point for the report is that, for projects with primarily complete design, getting out to market will reduce price escalation and inflationary pressures. Getting them out and getting them done is a critical part of saving the State money. Things are not going to get cheaper.

Robynne said she has noted the points that both Santosh and Geoff made.

Joe Kline noted that the original objective from the Legislature was to review procurement strategies around price certainty. And the position of the TF on the projects for the interim report is, basically "Yes they are fully designed, WSDOT might as well proceed." But there is not any more price certainty at this point than when WSDOT started or when the Legislature charged the TF with reviewing the projects. Perhaps the TF can make a recommendation such as "maybe in the future consider an alternative that will lead to a better sense of price certainty rather than waiting until the project is 100% designed."

Robynne noted that the TF will develop those types of recommendations in the future. The TF agreed that the short-term effort is to get the simple interim report out and then develop recommendations on which they all agree. Developing recommendations will take some time to develop and vet. She will get the report to the TF by the end of the week. Reviewing the report will be the agenda for the next meeting. She will welcome TF comments at any point.

Co-Chair Zamzow encouraged members to provide comments early so that DES staff can send them to Robynne, so they are available for discussion.

### **Other Business: Presentations on WSDOT Remaining Projects**

Thomas Brasch presented slides on the North Spokane Corridor (NSC) I-90 connection. The overall scope is a suite of projects that reconfigure local roads and construct four bridges. The I-90 project, which has been around in some form or another since the late 1990s, bifurcated the community, so a lot of the work WSDOT has been doing is community engagement. They meet with community members to explain how they are going to connect to the freeway so that the community will stay connected with elements such as pedestrian bridges. They are anticipating a late 2030 completion date.

Agreements with the City of Spokane, such as utility relocations, are complete. Stakeholders are helping with design and inspection.

In the initial process project scoring led WSDOT to select DB. But last winter, they did another workshop and, after rescoring it, determined that DBB would be a better fit. They looked at risks and how they'd be managed and valued.

In 2005, the final design and access hearing was held and approved. The community expressed a lot of concern over when the project would be built; they wanted some closure on the fact that I-90 would be widened and there would be a new

freeway. And in the early 2000s, funding for the whole project hadn't been fully secured—there were a lot of unknowns. So WSDOT did early acquisition of the ROW using funding from The Partnership Act.

WSDOT went through its Cost Estimate Validation Process (CEVP) to make sure risks were captured correctly and validate costs. Every one or two years, they conduct another CEVP on the NSC project; they just completed one in June. Until the final report is issued, it's unclear how much of an increase in price there is and what the budget is.

Community engagement and stakeholder coordination and involvement are very important to WSDOT. Community engagement ranked high as both a risk and opportunity. The relationship with the community has improved over time due to the involvement and engagement WSDOT staff have done, listening to concerns and altering process and designs so that the community has some influence. For example, where there are a lot of connection points, call the trumpet, they had a choice whether to build bridges on embankment or on piers. They asked community stakeholders (City staff, city council, and neighborhood councils) how they felt about having walls (embankments) or piers (open concept). There were competing interests and concerns about how the project was impacting different groups. In the end, stakeholders preferred the open concept. WSDOT has categorized this type of process as a risk because investing time to get to a value decision is considered a risk. WSDOT didn't want to shortchange process or take a design to the community. They wanted to transparently get input before the decision was made and reach consensus through the engagement process.

Another risk is that market conditions drive prices; the longer WSDOT waits to advertise, the more the project will cost. The CEVP process tries to capture market rate costs and reflect them in the unit costs and how they tabulate the Engineer's Estimate. They've heard from the DB community contractor resources that there are a lot of projects out there and the market is close to capacity.

A lot of the work is happening concurrently. In the past for each contract, they have provided a means of construction that is manageable, including for maintenance of traffic. There is a lot going on in a small area.

There is very little opportunity to change alignments. All connections are locked in by traffic operations modeling, including merges, weaving, and air quality analyses. To change or alter these would mean a lot of community engagement and stakeholder coordination. While WSDOT has altered the footprint over time, the ROW pattern is the basis of their environmental permits. A longer wait for constructing the project has implications for cost. December would be soon enough, but switching to a different method could affect that and might mean they have to go out and manage the community's expectations.

Santosh asked whether the CEVP process was for all four projects at the same time or for the individual subprojects.

Thomas said that they conducted one CEVP process but examined what is unconstructed, what are future costs, and what had previously been constructed. In doing that, they look at each project cost individually as well as project cost in the corridor.

Santosh asked whether, in the probabilistic look at the schedule, WSDOT examined the interconnectivity of projects or looked at four discrete probabilities.

Larry Larson said there is a critical path associated with the interconnection, but the four projects could be built independently. The first two are synergistic, but all are needed. They are connected but could be broken apart. Which is part of why WSDOT is here. They are looking at four projects independently but under one umbrella. Should risk occur on one they can be flexible going forward with one versus the other to better manage the risk.

Santosh asked whether the open structure was a given in the design, regardless of delivery method.

Thomas said that, if WSDOT had chosen DB, the open concept that they came to from community input would have been a limitation for the Design-Builder.

Santosh asked WSDOT to confirm that, if they'd used DB, they would have memorialized in the DB documents then.

Co-Chair Zamzow asked WSDOT to clarify what changed when they had the workshop that changed the project from DB to DBB.

Thomas noted that one element that probably scored differently was the community engagement, which was a lesson learned from prior DB project to connect the Hilyard area to the downtown core via a pedestrian trail over the railroad and the corridor. Initially the neighborhood did not feel their input was represented in the process; they were very sensitive to what WSDOT was doing. So, for the current set of projects, WSDOT wanted to make sure that the East Central neighborhood, a traditionally underserved and underrepresented area, had a different outcome. WSDOT had heard concerns from the public that WSDOT had an ulterior motive. So, in the workshop, WSDOT looked at the importance of community concerns and ranked that issue higher in the workshop than it had been ranked in the past. They also looked at opportunities for innovation in the design of the alignments and ramp connections. Though there was some opportunity to change the ramp connections, it would have been an extensive process, and any cost savings would have been eaten up in community/stakeholder process and Federal Highway Administration requirements for getting modeling approved. These factors brought down the values in terms of how much innovation was possible in the design.

Larry added that, even when WSDOT was leaning toward DB, both WSDOT and the industry recognized that there was not a lot of opportunity for efficiencies in the design. The efficiencies were in constructability and management of the construction process. Having one entity do that, they could manage the traffic and construction process.

Co-Chair Zamzow summarized that WSDOT's priorities changed as community engagement became more important and that affected the scoring. The TF recognizes that WSDOT made good choices based on the priorities and inputs they were given from the Legislature. If the Legislature had given different priorities and inputs to WSDOT, they might have made a different decision. He then asked WSDOT whether the decision to reduce the project size or scope had a bearing on the project delivery method selection.

Larry said that he was involved when the footprint changed as part of their Practical Solutions Initiative. That was a different priority than the community engagement. But the project hadn't gotten over the hurdle to DBB. The lions' share of the change priority was that the need for iterative and intensive community engagement just keeps growing. WSDOT has been doing community engagement for a long time but the need and, frankly, the pain that community likes to remind them of when I-90 split the neighborhoods, elevated the priority.

Stuart Moore noted that the perception in the contracting community was that the overages in costs for Portage Bay and Brickyard drove a lot of the switch back to DBB. He asked how much influence those two jobs had on the decision to change to DBB.

Thomas said that they definitely had an influence. Both processes and one reason the TF is convening is to discuss how WSDOT manages risk on projects and which process would help them better mitigate risks. For Portage Bay, WSDOT surveyed the Design-Builders to find out why they were getting bids that high. Some of the concerns and higher weighted scores had to do with how WSDOT was managing risk. If the discussion is about developing some form of cost certainty, in the form of managing risks—such as utility conflicts and community engagement—appropriately, and understanding market conditions for unit prices, WSDOT can capture and hold the risk a little tighter with DBB than with DB. And WSDOT did discuss those factors and which process could better mitigate the risks. That's part of the scoring and selection process.

Jessica Murphy noted that some projects need a lot more owner involvement due to the neighborhood and community. She asked whether WSDOT ever considered using GC/CM for the trumpet section where all pieces connected. She acknowledged that WSDOT has to get special permission to use the method. The advantages are that the agency retains ownership over the design and community engagement, but it has complex construction phasing with multiple potential low-bid contractors.

Larry said that GC/CM was always in conversation, but the little experience WSDOT has with it is on the west side of the state. On the east side, there is even less experience. Combining that with trying to make the 2030 date and what they've had to do to restart, it wasn't a consideration. They talk about GC/CM at conferences and look to the Olympic region to start implementing it.

Thomas clarified that Jessica was asking whether they could have a GC/CM contract within a DBB contract. He noted that the complexities of doing that and how they would tie everything together is a type of project management that WSDOT is less experienced at.

Jessica said that the City of Seattle has used this as a tool on low-bid contracts. One of the contractors needs to be more willing to deal with the change and the dynamic situation but it's not possible to predict a future existing condition and it's difficult to write a low bid specification very well.

Santosh said he is also a bridge engineer. He asked WSDOT how confident they are that they that they can garner all the efficiencies of alternative delivery, such as the ability to have the contractor providing constructability ideas and innovations possibly exploring accelerated bridge construction. WSDOT is sitting in the design space and making decisions without the benefit of a contractor at hand.

Thomas said that WSDOT is comfortable. They may not always be confident on large projects that they took advantage of all of efficiencies available. In the DBB realm they have the CEVP process and other processes such as the traffic control plan and other alternative methods that they could take advantage of. He is comfortable saying that DBB will manage the risks, like the common they discussed. They have a time commitment but it's not a stamp on the project. If they lost some time, it's ok as long as the relationship with the community is ok and they've managed change orders appropriately.

Larry added that, on the viaduct section to the north, their contractor said they think they can put the project on spread footings rather than shafts, and they saw a savings. It's a standard design.

Santosh observed that, if WSDOT is simply relying on bid tabs in how they will try to estimate the job, they have lost that partner who is closer to the pricing conversations and risks and warranties.

Stuart noted that, a reason to choose progressive or DB is how much control an agency wants to have over design. He'd like to hear from WSDOT which is more important: control over design or cost certainty. Cost certainty is probably lower cost if the project is DB and the agency is doing that to motivate contractors to drop the cost. In that case, the contractor would probably choose the embankment solution over the open solution because embankments would be cheaper.

Thomas Brasch said WSDOT wants to control the design to get the cheapest prices, so both.

Stuart said those two values are kind of opposite: they can either have a cheap freeway or a cool design.

Thomas replied the cheap freeway sometimes comes at the cost of a relationship they have worked a long time to build, not just with the neighborhood but also with the City and County. They are putting the price of the design into their unit tabs. Yet

there are still ways of innovating on the contract that could be used within the context of their stakeholder agreements. There is a push and pull on that point.

Larry said WSDOT has always had to be responsible to the funding given, but the contextual design is important given the history and culture and the current relationship with the community and stakeholders. That is why they changed the project.

Santosh asked WSDOT whether progressive DB was considered.

Larry confirmed that progressive DB was not on the table.

Co-Chair Zamzow noted that WSDOT is bidding out four large projects for the region. Traffic control seems like a huge part of constructability of all of them. He'd like to know whether they have addressed the possibility that a project might be in phase 1 not in phase 2, or different staging than was planned.

Thomas said the phasing has been set up. There is some I-90 widening in Project 1, and Project 3 does not overlap. Project 4, which is when the trumpet connects with I-90 would have the biggest overlap and contact with other projects. Their plan is to build that type of scope into the contract, so that things that have to be done first can be and they avoid that kind of overlap in coordination. He anticipates some creative language to try to mitigate and eliminate that.

### **Next Meeting Agenda**

Co-Chair Zamzow noted that the primary agenda for the next meeting on September 4 is to review and approve the interim report to submit to CPARB and then to talk in more depth about these projects.

Robynne added that she assumes that the interim report won't take the entire meeting time, so she proposes that the TF start to talk about thoughts and recommendations for the remaining projects.

Stuart added that he thinks a discussion about the philosophy between the different kinds of procurement methods would be good. He'd like to see the group step back and assess the benefits of DB, DBB, and progressive DB as to how it relates to a project like this.

Co-Chair Zamzow noted that this would be almost a programmatic approach. Progressive wasn't much of a phrase in 2019. WSDOT's project delivery guide only concentrates on two different methods; he'd like to make some recommendations for the guide.

Robynne said that it's on her list to get in touch Doug Gransberg and Keith Molenaar. Doug is happy to talk to this group; Robynne has already connected him with Co-Chair Riley-Hall; she will do the same with Co-Chair Zamzow. They should consider when they want to schedule him. He will give a national perspective and he's done research on progressive DB. She will also reach out to Keith again.

Melanie Baldwin provided a link to the [WSDOT DB manual](#) which has tables used for comparing DB and DBB in Chapter 2. Talia will add to the resources on the TF page.

The agenda for the September 4 meeting will include the following:

- Review and approve notes from the August 21 meeting.
- Review and discuss the interim report and determine whether to keep the Stage 2 project in or take it out.
- Discuss in more depth the presentation on the remaining NSC projects presented today.
- Determine when to have Doug Gransberg talk to the group.

*Co-Chair Zamzow adjourned the meeting.*

**The meeting was adjourned at 4:32 p.m.**

**Next meeting: September 4, 2024, 3:00 p.m.**

### **Action Items**

1. Robynne Thaxton will
  - Deliver the interim report to members by Friday, August 23.
  - Connect Co-Chair Zamzow with Doug Gransberg.
  - Reach out to Keith Molenaar again.
2. Members will provide comments to Robynne on the interim report as soon as possible.
3. Talia will add the WSDOT DB manual link to the WSDOT PDM TF resource page.

### **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](#)
- [Design-Build Manual | Manuals | WSDOT \(wa.gov\)](#)