

**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              |
|   | Lekha Fernandes, OMWBE                      | x | Stuart Moore, Atkinson Construction       |
| x | Bobby Forch, MSVBE                          | x | Jessica Murphy, City of Seattle           |
| x | Arthur Antoine, Axiom, for Metin Keles, WBE | x | John Salinas II, Specialty Subcontractors |
| x | Joseph C. Kline, WSU                        | x | Robynne Thaxton, Private Industry         |

**Guests/Stakeholders:**

- |   |                              |   |  |
|---|------------------------------|---|--|
| x | Talia Baker, DES/CPARB Staff | x | Jessica Letteney, MFA                  |
| x | Melanie Baldwin, WSDOT       | x | Terrence Lynch, WSDOT                  |
| x | Thomas Brasch, WSDOT         | x | Art McCluskey, WSDOT                   |
| x | Chris Christopher, WSDOT     | x | Jerry Vanderwood, AGC                  |
| x | Nancy Deakins, DES           | x | Olivia Yang, WSU                       |
| x | Thrall Hershberger, Kraemer  | x | Janice Zahn, CPARB Chair and Ports Rep |
| x | Larry Larson, WSDOT          |   |  |

**The meeting began at 3:05 p.m.**

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

A roll call of members confirmed the meeting quorum. A brief discussion confirmed that all members had been notified of the meeting. Co-Chair Tom Zamzow welcomed everyone to the Capital Projects Advisory Review Board (CPARB) WSDOT Project Delivery Method Review Task Force (TF).

**Approve Agenda**

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

*Co-Chair Linneth Riley-Hall moved to approve the agenda, and Joe Kline seconded the motion. The agenda was approved by a unanimous voice vote.*

**Approve Minutes from 08/21/2024 Meeting**

Co-Chair Zamzow requested discussion or edits from the group on the minutes from the 8/21/2024 meeting; none were forthcoming.

*Stuart Moore moved to approve the minutes of the August 21, 2024, meeting, and Santosh Kuruvilla seconded the motion. The motion to approve the minutes was approved by a unanimous voice vote.*

**Interim Report Review and Approval**

Co-Chair Zamzow opened the discussion on the interim report and the TF members viewed it online. The section in which projects were compared to the Revised Code of Washington (RCW) was a little confusing until he looked up the RCW, then he realized the report answered in the affirmative or negative as to whether the project could be done via alternative procurement. He said that some projects do not meet the Legislature's own description of what is available, that alternative procurement could not be done. He requested comments from other TF members.

Co-Chair Riley-Hall also had to reread that section a couple of times. The report has not yet gone to CPARB or been approved by CPARB, but it reads as if it has been approved by CPARB because it was written under the assumption that CPARB will approve the report. Once she understood that, she was OK with the report. If CPARB does not approve it, the TF would have to rewrite some sections of it. She sent an email to Robynne Thaxton with those thoughts.

Talia Baker noted that writing the report as if CPARB has approved it saves having to rewrite the report after approval.

Co-Chair Riley-Hall asked WSDOT whether they had anything that was not accurately relayed in the report.

Art McCluskey said he has not yet reviewed it; he will look at it soon.

Co-Chair Riley-Hall said that the CPARB meeting is next Thursday morning, and she strongly encouraged TF members and WSDOT to look at the report before that CPARB meeting. She asked TF members to comment if they thought there were areas in the report that were concerning or needed discussion, such as whether to keep the Stage 2 project in the report (a matter brought up by Bob Armstead in a previous meeting).

Santosh Kuruvilla noted that other committees have included meeting minutes as part of an appendix to capture some of the discussion. He wanted others' thoughts on whether including meeting minutes would help support some of the content of the report.

Co-Chair Zamzow noted that Robynne includes hyperlinks to meeting minutes. Talia confirmed that hyperlinks are preferable to including them as attachments to keep the number of pages down.

### **Keep Stage 2 Project?**

Co-Chair Zamzow noted that the treatment of the Stage 2 project seems to naturally flow and fit, in his opinion. He thinks it makes sense to be included. The only thing a little different is the project delivery checklist is scored on a points basis in a comparison between Design-Bid-Build (DBB) and Design-Build (DB). It asked the same questions in a different way and the results are the same, as he read it.

Co-Chair Riley-Hall recalled that Bob Armstead brought up a concern about including the Stage 2 project, stating [from the August 21 meeting minutes] that "WSDOT did not initially recommend that Stage 2 be included." She requested feedback from WSDOT as to any comments on that.

Thomas Brasch said that WSDOT initially did not include the Stage 2 project, but it wasn't their choice not to include it. They had understood that the criterion was to include projects that were 100% complete and they were not technically 100% complete with Stage 2. They are moving forward with their Plans, Specifications, and Estimate (PS & E). They would be happy if the Stage 2 project were in the interim report.

Larry Larson shared that the original schedule showed it would take place in the September-October timeframe. If WSDOT could get it in earlier, they would love to have that decision be made. He reiterated that the decision not to include Stage 2 was not something that came from WSDOT. He said that there is no objection from WSDOT in including the Stage 2 project in the interim report.

Based on clarification from WSDOT, Co-Chair Riley-Hall stated the Stage 2 project should be included in the interim report. Co-Chair Zamzow agreed and conducted a roll call of TF members to solicit comments.

Robynne noted that the goal is to get the report to a point where they can get it to CPARB as a pre-read. If there are additional changes or concerns, she would appreciate hearing them.

TF members Stuart Moore, Santosh Kuruvilla, Joe Kline, John Salinas, Arthur Antoine, and Jessica Murphy said that the report looks good, and they agree that the Stage 2 project should be included.

Arthur Antoine asked when the final comments were due.

Co-Chair Riley-Hall shared that comments are due by noon the next day. She requested that TF members review the report and use track changes for any edits and the comment function to add any comments. Send this feedback to Co-Chairs Riley-Hall and Zamzow, Robynne, and the CPARB inbox ([cparb@des.wa.gov](mailto:cparb@des.wa.gov)). If no feedback has been received, they will send it to CPARB because preread materials are due by 4:00 p.m. September 5.

Robynne said she will do a quick scan of the report and hopes everyone has a chance to read it. She asked everyone to send any minor changes, or issues with wording. She wants WSDOT to make sure she represented all of their information correctly. If there was a fact, a presentation and slide number, or meeting minutes and page number that is incorrect, it is probably a typo. It would be good to be able to say that the TF recommends that CPARB approve it. Unless something is materially different, wrong, or incorrect, she assumes TF members are OK to approve the report. That's the action they would like for next week's meeting.

Larry said he has been reviewing the report during the meeting and WSDOT will provide any feedback by noon on September 5 or before. So far there are no problems; Robynne did a great job of stating what WSDOT stated and WSDOT's recommendations.

Robynne requested that someone notify her either way, even if there are no comments, that they reviewed the document.

*Robynne Thaxton moved that Task Force approve the report and recommend that CPARB issue and approve the report with the caveat that if material or substantive comments are received by noon tomorrow, the Task Force allows Co-Chairs Riley-Hall and Zamzow as well as Robynne to determine whether the report must go back to the Task Force. Co-Chair Riley-Hall seconded the motion.*

Co-Chair Zamzow asked for further discussion on the motion.

Larry clarified that the sections of the report that he has reviewed were those discussing the North Spokane Corridor (NSC) projects. He has not looked at the discussion of the other projects in the report; Art will review those.

No further discussion was forthcoming.

*Co-Chair Zamzow called for a voice vote to approve the motion; it was approved by a unanimous vote, and the motion was passed.*

#### **Other Business:**

##### **WSDOT's Remaining Projects to Be Reviewed**

Art shared that there have been six projects identified as part of the NSC package, that WSDOT has presented to the TF. A total of 10 projects are part of the full NSC package. The WSDOT team wanted to explain why four projects had not been presented to the TF for review and gave the TF the background on them in this meeting.

Chris Christopher gave the North Spokane Corridor M00800R Small Project Component Discussion presentation. The four projects not previously presented to the TF are:

- WI number F00015G, Engineer's Estimate of \$3.46 million, the project had already been advertised in March 2024.
- WI numbers F30015R, F00015T, and F30015S, RCW 47.20.780 and 785 stipulates that WSDOT is not authorized to use DB on projects that are less than \$2 million and all three projects are less than \$2 million. T

The last slide provided the Engineer's Estimate and the low bid number if the project had been advertised. For the final project, F30015S, a demolition project, the project is on hold until CPARB reviews and approves it.

Co-Chair Riley-Hall noted that, with regard to WI number F00015G; the statute says a project must be less than \$2 million and the cost range is \$2 to \$5 million. She requested clarification on why it had not been presented to the TF.

Chris said that the project had been advertised prior to the Legislature's proviso that formed the TF; that was why they did not include it.

Jerry Vanderwood asked WSDOT to explain why they are bringing these small projects forward now.

Chris said that the TMC Hub small project (F00015T) bid came in at 13 percent over the Engineer's Estimate. When WSDOT presented the project to the Transportation Committee leaders in the form of letters to get input, WSDOT informed the Office of Financial Management (OFM) at the same time. WSDOT asked the Transportation Committee to tell them what pausing the project meant and all Transportation Committee leaders replied. OFM asked WSDOT to tell them what the CPARB direction was. WSDOT said they did not go to CPARB and gave the reason, and OFM said they were not comfortable with this, even though WSDOT could not do anything legally except DBB. OFM was not happy that WSDOT had not taken these four small projects to the TF for assessment. WSDOT is now bringing all projects to the TF so that there is no project in the proviso that has not been brought to the TF. WSDOT requests that the TF take whatever action they think is appropriate and give WSDOT direction.

Robynne said that she doesn't remember this issue coming up at CPARB. The statute (RCW 47.20.785) clearly says that the Department of Transportation is authorized and strongly encouraged to use the DB procedure for public works projects over \$2 million. She is trying to understand how this came up as an issue. The TF already has a bunch of projects to get through and issues like this are spinning wheels and wasting time.

Chris said it happened two weeks ago between WSDOT and OFM and was a big discussion. That is why WSDOT has presented those four small projects today and explained why they did not previously bring the projects to the TF. In theory OFM is saying they don't agree with WSDOT's interpretation. WSDOT said they should have brought the projects in March. WSDOT would like to be told how to proceed.

Stuart said he believes the TF has enough information. He proposed that the TF quickly vote on the matter and state that the projects should be DBB because they are all too small for alternative delivery.

Co-Chair Zamzow proposed adding a section onto the interim report discussing the matter.

Jerry noted that the matter is not for OFM to decide. The whole process is up to the Legislature, which gave CPARB the marching orders. He would like to know whether it would be an acceptable response if CPARB were to say that WSDOT has presented the projects, and the TF has decided they don't have to review them under the budget proviso.

Chris noted that, if this TF could say something to that effect, it would work well for WSDOT.

Co-Chair Riley-Hall acknowledged the frustration in the group and noted that, in hindsight, this could have been avoided if the initial presentation had listed all 10 and said these three are below the \$2 million threshold for consideration for alternative delivery. It's an educational moment for OFM on the statute's language. That, for any project less than \$2 million, WSDOT can't use DB. Her position is that, right now, the TF should look at the one that is between \$3 and \$5 million, go through the steps, and include it with the report for the next batch of projects, including the initial sheet that WSDOT fills out, and have some discussion. For the three below \$2 million, she's on the fence as to whether to include them in the report at the 11th hour. That process would mean adding more information, sending it back to the group for review, getting feedback by noon, and just rushing it, instead of including the information in the final report. She asked WSDOT how critical it is that the projects get done right away versus waiting for the final report.

Chris said that the first project, the \$3.5 million was DBB and advertised in March and the low bid was 2 percent above the Engineer's Estimate. The project was awarded before the TF started meeting. The project may be completed at this point. The second one in April, a \$690,000 project, was DBB as well. The low bid was below the Engineer's Estimate. The third one, the Traffic Management Center Hub, was the one for which the Engineer's Estimate was \$805,000, came in at \$909,000—13 percent above the Engineer's Estimate. This was the project that WSDOT took to the Transportation Committee that started the conversation with OMF about why WSDOT did not take all four projects to CPARB for assessment. The fourth project is a demolition project slated to go out to advertise this week. They've paused this project until they had the conversation with CPARB. The Engineer's Estimate is \$65,000. It is the only project on the list that is currently outstanding and has not been awarded.

Santosh said he would like to see the TF stay the course and get the interim report out to CPARB. The material is not going to change anything with regard to the size of the projects. The next report could include a "whereas" clause that memorializes that these projects were presented toward the end, and, because of the RCWs, they are not relevant to the charge for the TF. That would clean things up.

Stuart suggested they keep the same report but record somewhere that the TF won't evaluate these projects because of the statutory requirements. It seems silly to pause WSDOT for five months because of this.

Co-Chair Zamzow proposed that the TF will not change the interim report. They need to come up with a different strategy to deal with those four small projects. The TF is sensitive to the needs for transportation projects for the State, getting projects built. He would like to know how important it is that WSDOT get the demolition project out.

Robynne wondered whether to include the four small projects in the interim report. Having a resolution or CPARB directly addressing the issue would help. CPARB could direct the TF not to review projects that are not statutorily eligible for DB or are already completed. The CPARB guidance doesn't need to be in an official report. CPARB should consider the matter and discuss whether they want to have the TF look at this, but it is legitimate for CPARB to tell the TF not to waste time on projects that are not statutorily authorized or are already completed. It seems silly to write anything in the report.

Co-Chair Riley-Hall stated that it will take another hour to explain the situation to CPARB and there are 20+ people on CPARB who have better things to do. Adding a sentence to the final report stating that the TF did not review those four projects due to the RCW and ending it there seems like the best option. The TF has already spent a large portion of time on this.

Co-Chair Zamzow asked WSDOT to comment on the timing if the statement is in the TF's final report in December, not in the interim report.

Terrence Lynch said that, while moving forward is not critical, it would be nice to be able to do the project. There are five buildings WSDOT would like to clear so they can have a contractor take occupation of the site without a building. Not doing

the demolition pushes the project into an overlap. In addition, two of the properties are residential so WSDOT would have to maintain the property to avoid vandalism and nefarious uses. There would be costs associated with pushing the work out.

Thomas added that WSDOT's Property Management would prefer these to be demolished as soon as possible, the sooner the better, so that they can shut off utilities and other actions. Waiting adds some risks. It could be accommodated through the winter and then shift the work onto the construction phase instead of ahead of it.

Chris asked whether there is an action that the TF could take today that WSDOT could then use as an actionable item.

Co-Chair Riley-Hall noted that the language Robynne added into the meeting chat could be considered for the report.

Larry asked that the language include "and for future projects if they are under \$2 million," to be helpful to WSDOT going forward. There may be another project in the future that would be helped by that language.

Robynne said she would add this in a new section in the interim report, under 6.3 C. Then in Section 7, she would identify the projects by name and say that there are a number of projects within the M0008 number that do not qualify for any other delivery method than DBB. She would cite the statute, then provide the recommendation for those, and then state that there is one project that's already been bid and being performed.

Co-Chair Riley-Hall noted that the discussion has been that these projects are only eligible for DBB and that they are over the limit for task orders in job order contracting.

Nancy Deakins suggested that, instead of trying to insert last-minute text in the interim report, let the minutes show that the issue will be addressed in the final report and let WSDOT take that as what it is.

Robynne suggested that the minutes show that WSDOT made the presentation on those projects and the TF discussed them. The TF will vote now as part of the minutes that they will exclude projects that are not qualified under the existing laws.

Jerry said that he was prepared to second the motion. He sees that WSDOT hopes the TF will take action right here and now that will free WSDOT to act, even if there is language about this in the final report. He supports taking steps that will untie WSDOT's hands.

Co-Chair Riley-Hall said that the minutes will show the discussion because the TF has spent the last 45 minutes talking about the issue.

*Robynne Thaxton made a motion to include the following language that specifies that projects under \$2 million be excluded for review, and projects that have already been bid as of today and awarded and projects that are under \$2 million are not qualified for any other delivery method:*

*Pursuant to RCW 47.20.785, WSDOT is not authorized to use DB on projects under \$2,000,000; therefore, projects F30015R, F30015T, and F30015S have not been reviewed because they are under \$2,000,000. With respect to project F00015G, the project has been bid and completed; therefore, the project was not included in the report.*

*Co-Chair Riley-Hall seconded the motion. The motion was approved by a unanimous voice vote.*

Co-Chair Zamzow said that WSDOT will be able to present this discussion to OFM to help keep them moving along.

### **Decide on Schedule for Doug Gransberg and Keith Molenaar to Talk to the Task Force**

Co-Chair Zamzow said that both Doug Gransberg and Keith Molenaar are available to attend the meeting on 9/18 (*and both are not available for the 10/2 meeting*). He will schedule them for the next meeting agenda. They want to know what the TF wants them to discuss.

Robynne said the TF has been talking a lot about DB and the ability to create cost certainty, and that's what she suggested that Doug and Keith discuss. They could cover what the national research suggests, the Construction Manager at Risk (CMAR, which is what Keith calls it), alternative delivery in general and whether it provides or does not provide cost certainty. It is impossible to take two projects side by side and compare them, but they can summarize the research. Both Keith and Doug present a lot, and they are comfortable giving a talk and answering questions. Keith's research is broad-based, and Doug's focus is more on transportation. The TF would be interested in both their perspectives in more of a panel discussion overview of thoughts and then opening the floor for questions.

Arthur said he loves Doug's candid perspective on things and cost certainty is a hard topic. It would be good to get the perspectives of the two celebrities of project delivery. They are at the forefront of the research and could give a synopsis, preview, or personal perspective of Progressive DB in transportation, as well as the research and what they are finding at this preliminary stage in relation to performance metrics.

Co-Chair Zamzow said that he will relay those notes to Doug and Keith. He believes that will take up the vast majority of the next meeting—it's a full 60 minutes and will include Progressive DB. The direction for the TF is the final recommendations, information they've gathered, and input to the Legislature on how to get greater cost certainty going forward.

Co-Chair Riley-Hall said it sounds like Doug and Keith will do some kind of comparison between various delivery methods including Progressive DB.

Co-Chair Zamzow said he has seen a presentation from Keith on DB (CMAR as he called it) and DBB that was on schedule and comparing all three delivery methods. He presumes they've added Progressive DB, and he will see what they've done with cost certainty trying to compare all four delivery methods.

Robynne noted that the TF has a number of recommendations, a lot of research, some from Arthur and some from Keith. It would be helpful to have Doug's and Keith's recommendations on what the TF should look at, what are the national trends that will help the TF make recommendations in the final report.

Stuart noted that the TF should not forget to get WSDOT's list of jobs showing how they performed on cost certainty (excluding Brickyard and 520) to see whether there is a problem without those jobs. In addition, an evaluation of how the progressive jobs have compared to the Engineer's Estimates. That is the only measuring stick to see if Progressive DB has better cost certainty.

Co-Chair Zamzow said he knows that Art has a note on that action item. And Co-Chairs Zamzow and Riley-Hall will have a call with Doug and Keith early next week to let them know what the TF is looking for.

### **Next Meeting Agenda**

The agenda for the September 18 meeting will include the following:

- Review and approve notes from the August 21 meeting.
- Presentation by Doug Gransberg and Keith Molenaar
  - Progressive Design-Build
  - Achieving Cost Certainty

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

**The meeting was adjourned at 4:30 p.m.**

**Next meeting: September 18, 2024, 3:00 p.m.**

#### **Action Items**

1. TF members and WSDOT will review the report and provide substantive material comments (or edits to typos) in tracked changes and/or comments to the CPARB inbox ([cparb@des.wa.gov](mailto:cparb@des.wa.gov)) by noon on September 5.
2. WSDOT will confirm that the report has been reviewed by sending an email to the CPARB inbox, even if there are no comments or markup.
3. Robynne Thaxton and Co-Chairs Zamzow and Riley-Hall will oversee any final changes.
4. Talia Baker will send the draft interim report to CPARB by the preread deadline of 4:00 p.m. September 5.
5. Co-Chairs Zamzow and Riley-Hall will provide Doug Gransberg and Keith Molenaar with the TF's recommendations for what to cover on September 18.
6. WSDOT will provide a list of jobs showing how they performed on cost certainty (excluding Brickyard and 520) to see whether there is a problem without those jobs. In addition, an evaluation of how the progressive jobs have compared to the Engineer's Estimates.
7. The TF will put the language that begins "Pursuant to RCW 47.20.785, WSDOT..." along with a clause about future projects under \$2 million into the final report due in December.

#### **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 \(wa.gov\)](#)