

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

Guests/Stakeholders:

Talia Baker, DES/CPARB Staff	Robyn N Lashbrook, WSDOT
Thomas Brasch, WSDOT	Terrence Lynch, WSDOT
Sam Humphreys, MFA	Art McCluskey, WSDOT
Larry Larson, WSDOT	

The meeting began at 3:04 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 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 suggested changes to it; none were forthcoming.

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

Approve Minutes from 10/02/2024 Meeting

Co-Chair Riley-Hall requested discussion or edits from the group on the minutes from the 10/02/2024 meeting; none were forthcoming.

Co-Chair Tom Zamzow moved to approve the minutes of the October 2, 2024, meeting, and Robynne Thaxton seconded the motion. The motion to approve the minutes was approved by a unanimous voice vote.

Discuss the last 4 North Spokane Corridor (NSC) projects from WSDOT (add in projects name/number)

Co-Chair Riley-Hall opened the discussion on the four remaining North Spokane Corridor projects that the TF has to discuss. She noted that Art McCluskey sent Co-Chair Riley-Hall, Co-Chair Zamzow, and Talia Baker an updated Excel file titled "Completed Project Costs – Bid Opening on or after 3-29-17" (Excel File) that includes projects from March 2017 to April 2024.

Robynne Thaxton confirmed that the rest of the TF did not receive that Excel File.

Talia sent the Excel File to the members of the TF.

Co-Chair Riley-Hall said that the file has been updated to include columns for Prime Bid Amount, Engineers Estimate Amount, and Contractor Net Payment Amount. She asks for clarification if the Contractor Net Payment Amount is the final cost.

Art confirmed that yes, it is. He stated that this Excel File was a rerun of the data just for the projects that had been completed. It is less than the full list that was sent originally. It shows the projects that have been completed and gives their actual cost.

Co-Chair Riley-Hall asks for clarification if "BB" in the column "Contract Type Code" stands for Bid Build.

Art said he was unsure and asked whether Larry or Tom Brasch were in that meeting. He stated that it is not the delivery type, but more or less has to do with the scope of work.

Co-Chair Riley-Hall asked Art to spend a minute discussing the projects from the Excel File during the most recent years, 2023-2024.

Art stated that this was a data dump, so he has not yet analyzed the data. The Excel File lumps together Design-Build (DB) and Design-Bid-Build (DBB), so if one wanted to analyze them separately one would have to reference the first spreadsheet to identify which projects are DB and which are DBB.

Co-Chair Riley-Hall asked the attendees to take a moment to look at the information in the Excel File and if there are any comments or thoughts. She observed that the Contractor Net Payment Amount of some of the projects listed in the Excel File exceed the Prime Bid Amount. She suggested that TF members take time to absorb the information in the Excel File while they discuss the last four projects in the report, which she now wants to discuss and get feedback on from the TF members.

She also noted the TF should spend time on the recommendations from the last reports. She asked whether there was enough discussion in the last meeting. The TF did not discuss whether or not they concur with WSDOT's delivery method on the last four projects.

Robynne said the TF discussed the projects but didn't come to a conclusion on whether they agreed with the recommendation. She recently reviewed the first report, which the TF should now all have in their emails [is linked off the agenda, and is on the TF homepage as well], that discusses how WSDOT is primarily selecting between DBB and fixed-price traditional DB. They are diving into Progressive DB on the SR 167 project but don't have the capacity to do more Progressive DB at this time, nor have they had capacity to do General Contractor/Construction Manager (GC/CM). One of the recommendations listed in the first report is that WSDOT build out their capacity to perform Progressive DB and GC/CM because it is a handy delivery method.

Given how far WSDOT has gone in the design of these projects and how little initial additional innovation is left in the projects, Robynne indicated it is reasonable for the projects to be performed as DBB. However, she noted that Progressive DB and GC/CM are two delivery methods that WSDOT really should explore because they offer a lot of flexibility to the owner of the project.

Co-Chair Riley-Hall thanked Robynne for her comments and asked for clarification that the fourth project is set to be advertised in 2027.

Terrence Lynch confirmed that the fourth project is scheduled to be advertised in early 2027 (February or March).

Robynne noted, if WSDOT had considered the options from the beginning, Progressive DB and GC/CM would have been good choices given the amount of stakeholder input needed. In projects with a high need for input on constructability, GC/CM and Progressive DB are great.

Robynne shared it's her understanding that with the stakeholder input WSDOT has received, and the connections between all the four projects, the projects have really been treated as one project in the way WSDOT has gotten input from Spokane and various other communities. The fact that it's going out to 2027 is just a function of time and capacity rather than there not being a whole lot left to do. Maybe, with the last project, if they're able to develop GC/CM capacity by that point, it could be possible to use that delivery method. She doesn't think there's enough left to design in these projects to justify Progressive DB under the statute. She asked for Co-Chair Zamzow, Jim Zusy, and Santosh Kuruvilla's input on this.

She stated that the projects are very intertwined. After starting one of these projects, it affects that amount of innovation that can be done on the subsequent projects. The more constructed on each progressive project, the less innovation potential there is for remaining projects. So even though the fourth project is set for advertisement in 2027, starting the first project makes some decisions for the fourth.

Co-Chair Zamzow agreed with Robynne and commented that this is the same story they've had for many of these projects. If WSDOT was earlier in the process, then perhaps another delivery method could make more sense. But because of the amount of collaboration that's been done with the communities – limiting footprint, limiting the bridge type – a lot of which was community input driven, they went with a DBB method. In his opinion, considering where the projects are at now, it makes no sense to change the delivery method. The benefit would be pretty de minimis and there would be additional cost to go with a different delivery method.

Jim Zusy asked for clarification if WSDOT was at 30% design for the remaining projects or whether they were further along.

Art said he thought that was accurate and Larry Larson confirmed it was around 30%. The design of where the bridges touch down, their elevations, their grades and alignments are 100% designed. They're moving into preliminary bridge design phase, so they're not yet 30% done with that component.

Jim clarified that they are at 100% design development and somewhere between 20-30% final engineering.

Thomas Brasch and Larry confirmed this is correct.

Jim said based on his experience, that can be the sweet spot for a DB, to expedite the construction and the overall project. Sending a project out where the contractors provide innovation between the design and construction techniques, or how to put the project together to get the most value from the final product. It locks down the project to parameters an owner would want, but still gives the contractors the ability to build the project in the best and most efficient way, which ultimately will give WSDOT their best price.

Larry responded saying Jim is right about the sweet spot. This is where the SOQs would begin. But this is about managing the risk that was related to basically three things. One was the community input and engagement that's being done that changes things as they go. Two, the City of Spokane had concerns as a major stakeholder. The sides streets and connecting streets are theirs, so they had concerns about managing that risk. Three, there's the utility concern. This is grand central station for utilities, and while there's an understanding about what's underground, it's always a risk that's not easy to deal with.

Jim responded saying that the first two, community input and the parameters set forth by the City of Spokane, are easy enough to be locked in by the RFP. Any of the innovations the contractors do decide to bring, WSDOT has the ability to say "no, we can't get that passed," or decide it's such a good idea that WSDOT could reengage stakeholders and demonstrate there is enough value for the betterment of the whole project. Additionally, there will always be utility risk. WSDOT tries to put their best foot forward in identifying them, but once buckets are in the ground, there's always the chance of unidentified utilities, even if they go through the whole DBB phase.

Larry agreed that you have to deal with utility risk either way.

Thomas stated that there are processes which don't afford much change at this stage in the project. WSDOT has a set alignment that relocated utilities can go to. WSDOT is already doing the design process to relocating those utilities.

Jim said that can always be accounted for. There are previously relocated utilities allotted for in the contracts, and there are the items that could be shifted on to the Design Builder. He noted it still gives WSDOT the flexibility to deal with getting ahead of relocating major utilities, that up front WSDOT knows they will need to relocate and leaving some behind for the Design Builder to take care of. This risk can be shifted to the Design Builder.

Thomas stated WSDOT is tackling that risk now, because the City of Spokane has set locations, they want their utilities to go as they move through the trumpet. WSDOT is not expecting changes at this point.

Jim said that helps lock in the overall scope for the project even more so that when the RFP is put out, the contractor knows where to go; what will be the best product to put forth. In essence, there would be three contractors (or whatever the short list is) competing for what is the best project and the lowest price, giving the best value to the owner.

Robynne stated that she is a proponent of DB and will promote it in most every circumstance. But in the last meeting, the TF spent a long time with WSDOT trying to identify what additional innovation is possible in these projects, and there's not a whole lot left. She asked Santosh and Co-Chair Zamzow to chime in.

Co-Chair Zamzow shared that WSDOT has already gone through the evaluation process, and the result of that would somehow have to be changed for WSDOT to be able to look at DB. The TF spent a lot of time looking for innovation and it was pretty limited.

Co-Chair Riley-Hall agreed that a lot of time has been spent acknowledging the lack of opportunities for innovation but stated that innovation wouldn't be the only reason why the delivery method could change, or that the TF could recommend WSDOT to reevaluate the delivery method.

Jessica Murphy stated that innovation doesn't just have to be in the design of the project. It could be in how the work is carried out, the scheduling and phasing of the project, the duration and impacts. It doesn't just have to pertain to components of the bridge.

Co-Chair Riley-Hall commented that community engagement is a high risk; that there must be a lot of coordination with the community and that WSDOT wants to maintain control of that. That in and of itself would not be a strong reason to go DBB in her mind. In either delivery method, WSDOT could maintain control of the community engagement.

Robynne stated that three beneficial elements of DB are 1) construction activities are specialized, 2) greater innovation and efficiencies, and 3) significant savings in project delivery. These are four relatively interrelated projects. Her concern is that decisions made early on projects limits the ability to make changes on the projects that occur further down the road. She asked if the projects were delivered through DB, would it still be set up as four projects or just one project?

Larry stated that, when looking at DB delivery for these projects, WSDOT had them set up as one project.

Jim asked whether there are efficiencies to be gained by delivering the projects as one single DB project, specifically schedule and coordination efficiencies.

Larry responded that yes, that would be true.

Jim said he believes there's value to be gained in administering one project versus administering four. This value is potentially turning over portions of the project early. Jim says he thinks there is value in the DB side.

Co-Chair Riley-Hall stated that originally WSDOT had these four projects as one single project. She asked what the main determining factors were for changing the delivery method.

Larry responded that the main factor was community engagement. The desire to do community engagement was ongoing. If WSDOT were to change delivery methods now, they would have schedule issues to get that going and would have cash flow issues. He stated that, as he understands it, money must be allocated for the entire project in a DB scenario. That would be a problem because the projects aren't currently set up with money allocated up front.

The main reason WSDOT chose DBB delivery was because of community engagement. Larry acknowledged Jim's points that WSDOT could maintain control of community engagement throughout the project in DB delivery, but Larry noted that wasn't their experience with the first DB project they had. That project caused a lot of grief with the community because they felt their needs weren't being met as the project progressed. And that's a huge value, especially with this community who is underserved, underrepresented, and was bifurcated by I-90 50-60 years ago.

Santosh asked Larry to clarify what the different pros and cons are in community engagement with four projects versus one.

Larry said that splitting the project into four projects allows WSDOT to best administer the projects in an additive way, but without having two contractors in the same sandbox, so to speak. Doing four projects allowed them to break this up. It wasn't that the community said to deliver four separate projects instead of one.

Terrence Lynch commented that if WSDOT were to go back and take another look at their process, their goals wouldn't change; it would be the same goals. WSDOT's priority commitments are to the community, and that community engagement work is ongoing.

Terrence stated that the project being broken out into four projects was to meet cash flow needs and provide some separation. The projects are going to be overlapped but breaking it into four allows WSDOT to continue the discussion with the community and start providing features in the first projects in the order that WSDOT was going to deliver them. There was a two-fold reason why the project was broken into four: 1) to try to get the first one on the street as soon as possible, and 2) to get the last portion as late as they can in order to meet the 2030 delivery timeline.

Santosh asked whether the community expectation management risk was better in four versus one project.

Terrence replied that community expectation management was not a factor in splitting the one project into four; it was primarily to fit within cash flow, and the resources to deliver.

Santosh reiterated that cash flow dictated the split into four projects.

Jim asked whether it would be an option for WSDOT to impose max billings parameters in their projects to fit within cash flow on one project.

Art answered that yes, it is called maximum payable (he's not certain that's the correct name), and it states that up to a certain amount of money can be paid to the design builder during a specific time period. This item exists to ensure work doesn't get ahead of payment or vice versa. In DB projects, the funding for the job must all be obligated up front, though when it's paid can be limited by this item.

What others are talking about now is that, as there are four separate projects, the funding isn't all obligated up front.

Jim asked if there is potential that, say in 2029, WSDOT doesn't get approval for the next biennium, so project 4 does not get completed and then WSDOT isn't able to connect the dots [between the four projects].

Larry answered yes. WSDOT doesn't like to do it that way, but they work on a two-year cycle with the legislature. It wouldn't be the first-time projects are slowed down, or advanced in some cases, depending on the situation. He recognized that DB would be one way to minimize that risk.

Jim stated that in combination with the billing, WSDOT would get confirmation that they can complete the job and billing cycles. You have commitment to get to the end of the project. It sounds like WSDOT, with the projects broken up, has no commitment to get to the end.

Larry acknowledged that those risks are there.

Santosh commented that, in fairness to WSDOT, the TF should acknowledge in the report that the biennium aspect of project delivery severely handicaps WSDOT. At least when it comes to rationalizing alternative delivery.

Co-Chair Zamzow agreed with Santosh but says the TF is drifting off into cost certainty right now, which the TF has discussed already. What the report is going to indicate is that on this project, similar to the others that the legislature has asked the TF to review, an alternative delivery method would have made sense, but design is so far along on this project that changing delivery method will slow the project down and increase costs.

Co-Chair Riley-Hall asked WSDOT to clarify whether the projects are at 30% design or 100% design.

Larry stated that, with the four I-90 projects the TF is discussing, WSDOT is at 20-30% design. There are two projects that were in the report, that are behind the committee. He confirmed those projects were at 100% design or close to it.

Co-Chair Riley-Hall stated that the committee agreed with WSDOT's DBB delivery method for those two projects because they were so far out in terms of design.

She asked for more comments, and none were forthcoming. She then stated that the TF should make a recommendation on whether WSDOT should consider reevaluating the delivery methods, or if WSDOT should continue with the delivery methods of the four projects. She reiterated that she heard the reason for breaking the project into four projects was due primarily to cash flow; to funding not being obligated.

Terrence commented that breaking the project into four projects allows for more flexibility to move projects out in the case that projects need to be deferred. In DB, the project is obligated to completion, whereas when they're broken down into four, the projects can be deferred, delayed, or moved out if funding is not available to complete all four.

Santosh asked for clarification about whether, under the original umbrella of one big project (composed of the four I-90 projects), the four "subcomponents" of the bigger project were somewhat complete projects unto themselves. He asked if there were tangible benefits that could be demonstrated within the kind of four subcomponents of the bigger projects.

Terrence said that is correct, when WSDOT did the project delivery method selection guidance process.

Larry asked Terrence to speak to the impact of switching to DB now would have on the project's overall schedule, based on WSDOT's previous experience doing so.

Terrence stated that, during the last meeting, it might have been Stuart that showed hypothetically, if WSDOT was told on December 1, 2024, that they need to change delivery methods, it would take about 12 months to have an RFP ready. The RFP would be very complex and would take about 12 months to write it so that it minimizes risk to community, utilities, and other stakeholders. And it would take about 8-10 months to have design ready before construction is started. He wasn't sure there's schedule benefit to switching delivery methods.

Jim responded that, if the completion timeline is 2029-2030, WSDOT would definitely still be on time to complete by then. Even if WSDOT needs 12 months for an RFP and Notice to Proceed and design started from there.

He stated that project completion certainty, as would happen if WSDOT combines the projects into one and gets commitment from the legislators that funds will be committed, would go a long way with the community and would be a benefit. Even though WSDOT would have to regulate cash flow to complete the job.

Co-Chair Riley-Hall commented that the TF could address in the report that if the legislature were to obligate the funding, that could change the delivery method. WSDOT's hands are somewhat tied in terms of cash flow.

Thomas stated that for the legislature to obligate funding, they would have to be negotiating that now in this upcoming session, meaning WSDOT would have to be prepared as a region to have that as part of its budget, then confirm that with the state DOT budget, and it is not represented that way now. DB could be an option, but it would depend on obligation of funds for the entire project. That would be a tricky conversation on WSDOT's end.

Co-Chair Riley-Hall shared that the TF could recommend in the report that the legislature consider obligating all the funds for a project at the same time so that the entire project could be done versus breaking it up. The obligating of funds needs to get mentioned in the report, and the TF will need to consider how this is worded.

Thomas shared that separating those four projects under their current funding scenario is kind of WSDOT's risk mechanism now for uncertain cost. WSDOT is not sure of the cost of the project until it actually gets bid. So, if something changes funding wise, for better or worse, WSDOT has the ability to reach to that.

Under the scenario that the projects are pulled back into one, and the legislature obligates funding: if there's a change to cost, it puts potentially all four of those projects on hold until that issue can be resolved.

Co-Chair Zamzow stated that cost certainty is gained much sooner [under DB, one project delivery], and the contractor will be obligated to it. There's benefit there.

Thomas stated that this conversation is above him, Larry, Terrence, and Art. It would have to go through Capital Program Development and Management (CPDM) and potentially Office of Financial Management (OFM).

Co-Chair Riley-Hall called on Arthur Antione, Metin Keles' proxy, to ask if he has any thoughts or comments.

Arthur stated that he does not know enough about the project characteristics to determine if WSDOT is on the correct delivery method path. The key criteria of innovation, hastening schedules, getting cost certainty and the time at which you get cost certainty, are major factors when it comes to aligned goals between the project owner and stakeholders.

Discuss the last 2 reports & revisit the recommendations; Discuss the final report

Co-Chair Riley-Hall asked the group to talk about recommendations from the reports. She said that one of her recommendations for WSDOT going forward is to see that they evaluate all of the delivery methods; maybe change the form that they currently use which has only DB and DBB on it; it doesn't have Progressive DB or GC/CM or Heavy Civil GC/CM. If they aren't on the form, there's no intent to discuss delivery methods aside from DB and DBB. That may mean WSDOT reevaluates their legislative authority to add other delivery methods, or they continue to go to CPARB and to the PRC for other delivery methods. She said that she believes, in a previous report, the TF felt WSDOT is allowed to do Progressive DB delivery.

Robynne stated that only under RCW.39.10 is what the TF talked about for progressive.

Co-Chair Riley-Hall said the bottom line is that they include the other delivery methods beyond DB and DBB in their reviews.

Robynne responded that she doesn't have a problem with that recommendation, but the TF should add to it that WSDOT should increase its skills or its processes to develop both Progressive DB and GC/CM capacity.

Co-Chair Riley-Hall commented that, simply because this evaluation process through CPARB is taking place, she thinks that WSDOT will pay more attention to how they select their delivery methods, knowing that the legislature or the Transportation Committee could at any point come back and say let's do this again.

Art responded that WSDOT has already started paying more attention to their delivery method selection. They have an internal group that's modifying the delivery method selection guidance to include Progressive DB, and they'll work on getting GC/CM in there. The review over the last several months has heightened their awareness on these projects and their delivery methods.

With the State Route 18 project, for example, WSDOT has adopted several of the recommendations that came out in the first report in the procurement of that project.

Robynne chimed in that she just sent previous recommendations from the original draft report to the TF. They weren't all agreed on; they were drafted so they could be discussed for agreement. She asked the TF to review these recommendations, to see if anything should be modified, added, or deleted.

Co-Chair Riley-Hall stated that the TF needs to do two things in the next meeting: 1) come up with recommendations whether the TF agrees with WSDOT's delivery method on these four projects; and 2) complete the task of the recommendations. She encouraged TF members to look at the document that Robynne sent out to see if everyone is in agreement with the recommendations and if there are any that should be added at the next meeting.

Robynne shared that she's already started the report with the same format that the TF has used for the previous reports, except that the four I-90 projects will probably be combined because the TF has discussed them in a combined way.

Co-Chair Zamzow stated that he's been looking at the project delivery method selection matrix that was done for these four projects. He asked if WSDOT would rate the projects differently based on the conversation the TF had today, primarily around community engagement prior to final design.

Co-Chair Riley-Hall clarified whether Co-Chair Zamzow is asking for this to be an action item for the next meeting.

Co-Chair Zamzow suggests that one or two people from WSDOT could review the project delivery method selection matrix for the four projects to see if there would be differences now.

Larry replied saying that the project delivery method selection matrix was completed as a committee from the planning department, administration, and engineers. And although there may be some differences, he doesn't anticipate results would come out drastically different. Based on conversations they've had; he is pretty certain WSDOT knows where they're at.

Co-Chair Riley-Hall asked the WSDOT folks on this call to have a quick review to see if anything jumps out at them indicating that they should have done a different delivery method. That can be the first item at the next meeting, followed by a vote on the four projects, followed by a review of the recommendations list and take it from there.

Santosh asked if the TF were to recommend that WSDOT change the delivery method, considering that WSDOT is currently continuing to progress on these projects, whether that would imply their current investment in continuing design is throwaway cost.

Co-Chair Riley-Hall responded saying that has been the case since the beginning of the TF. WSDOT didn't pause or stop designing, nor does she expect them to in the next two weeks. So yes, if delivery method was changed, there would be some lost cost in her opinion.

Santosh noted that's something to consider and asked how the TF would message that in their report.

Co-Chair Riley-Hall replied that she thinks the TF should acknowledge it in their report. She asked for any final comments before adjournment; none were forthcoming.

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

Next Meeting Agenda

The agenda for October 30 meeting will include the following:

- Review and approve notes from the October 16 meeting
- Discuss WSDOT review of project delivery method selection matrix for four I-90 projects
- Vote on the four I-90 projects
- Review the recommendations that will be included in final report

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

Next meeting: October 30, 2024, 3:00 p.m.

Action Items

1. All WSDOT employees in the meeting will briefly review the project delivery method selection matrix for I-90 projects to determine if they would score any elements differently after this process.
2. Robynne Thaxton will send list of previously drafted recommendations to TF.
3. TF members will review list of previously drafted recommendations to determine if any additions, deletions, or revisions should be made.

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 \(wa.gov\)](#)