

Alternative Project Delivery & Innovative Practices Study of Washington State DOT

Presentation to JTC
June 24, 2025

Study proviso summary

The Joint Transportation Committee (JTC) directed a study in the 2024 Supplemental Transportation Budget, Section 204 to:

- Review Washington State Department of Transportation's (WSDOT) current project delivery practices
- Analyze alternative delivery methods and innovative practices in transportation project delivery (including specific Washington State specific possibilities)
- Conduct stakeholder outreach; including industry partners, WSDOT, and other public owners in Washington State and throughout the US
- Recommend changes to project delivery (in current policies, practices, and statutory requirements) that could reduce costs, improve competition, shorten the delivery schedule, or make progress in a combination of all three of these factors.

Study Tasks

- Task 1: Project Delivery Methods – Background, Overview & Summary of WSDOT DB project performance (November 2024)
- Task 2: Engagement with WSDOT & Industry Stakeholders (December 2024)
- Task 3: Document Issues, Opportunities & Suggested Improvements (throughout study)
- Task 4: Recommendations: Improvements to Existing Project Delivery Practices, Innovative Approaches, and Washington-Specific Opportunities (May 2025)
- Task 5: Coordinate with the Staff Technical Team (throughout study)
- Task 6: Presentations (December 2024, June 2025)
- Task 7: Preliminary and Final Reports (December 2024 & June 2025)

Staff Technical Team (STT) Membership

Organization	Representatives
Washington State Department of Transportation	<ul style="list-style-type: none">• Art McCluskey, Design-Build Program Manager, Construction Division• Joanna Lowery, Assistant State Design Engineer, Development Division• Nina Jones, ECMCA, Assistant Director of Business Diversity and Inclusion, Office of Equity & Civil Rights• Travis Snell, Legislative Relations
Office of Financial Management	<ul style="list-style-type: none">• Maria Thomas, Budget Advisor to the Governor
House & Senate Transportation Committees	<ul style="list-style-type: none">• Chris Thomas, HTC Senior Fiscal Analyst• Danny Masterson, STC Senior Fiscal Analyst• Brandon Popovac, STC Senior Fiscal Counsel
Senate and House Caucuses	<ul style="list-style-type: none">• Hannah McCarty, Senate Democratic Caucus• Martin Presley, Senate Republican Caucus• Leo Othón, House Democratic Caucus• Dana Quam, House Republican Caucus
Joint Transportation Committee	<ul style="list-style-type: none">• Alyson Cummings, Project Manager• Rachel Dean, Policy Analyst

Stakeholders Providing Feedback

- WSDOT
 - Alternative Project Delivery office, Project Management staff, Estimating/Risk Management, Office of Equity & Civil Rights, Fiscal Management, PMs for GC/CM and Progressive GC/CM & Progressive DB
- Industry Interviews (coordinated with AGC/ACEC)
 - Contractors
 - Minority/Subcontractors
 - Operating Engineers
 - Design Firms
- Local WA Public Agencies Interviews
 - Sound Transit, City of Wenatchee, City of Seattle, Spokane County, UWA, WASU
- External DOT Interviews
 - Caltrans, Georgia, Maryland, Delaware, Ohio, Oregon, Virginia

Coordination with Other Studies Directed by the Legislature in 2024

- WSDOT Fish Passage Program Cost Management Recommendations
- Project Delivery Streamlining Study
- CPARB Project Delivery Method Review (including projects N52600R, N00900R, & M00800R)

Legislative Action in 2025 related to Alternative Project Delivery

Enactment of HB 1970 and SB 5801

- HB 1970, provides authorization for WSDOT to use additional alternative project delivery methods, General Contractor/Construction Manager (GC/CM) and Progressive Design Build (PDB) contracting, in addition to Design Build
 - For GC/CM contracting, the Capital Projects Advisory and Review Board (CPARB) will retain oversight until after the first three projects are completed
- SB 5801, a new Public Private Partnership (P3) authorization
 - WSDOT will develop proposed policies and guidelines it plans to develop into rules for the P3 program, and report to the Legislature in September 2026







Overview of Findings and Recommendations

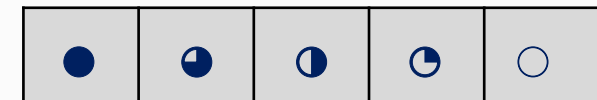
- WSDOT, other public owners in Washington State, and DOTs around the country are all currently experiencing an unpredictable market and one that favors the industry
- WSDOT is generally considered a trustworthy and fair owner by the industry
- WSDOT is developing process improvements to project delivery including:
 - Forming workgroup to improve estimating practices for DB
 - Conducting in depth market analysis of industry and workforce to better align project size/packaging with contractor capacity.
 - Enhancing existing project selection tools to include progressive delivery methods (GC/CM and Progressive DB) for selected projects.
 - Improvements to delivery of fish passage program

Overview of Findings and Recommendations

- Recommended changes to improve project delivery by WSDOT are organized into programmatic and project recommendations, in the following five categories:
 - Cost estimating
 - Competition
 - Procurement practices
 - Project delivery method selection
 - Project administration
- Programmatic recommendations - many will require additional funding by the Legislature to implement
- Project specific recommendations - costs would be included in project specific budgets











Example of Programmatic Recommendations – Cost Estimating

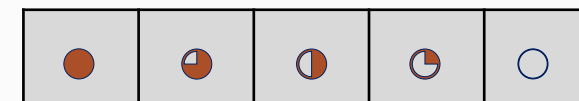
Recommendation	Beneficial Impact	Effort Required	Cost	Timing
A. Use WSDOT’s proposed estimating working group to further refine estimating processes and develop guidance to address: <ul style="list-style-type: none"> Parameters for when to engage an independent cost estimator (ICE) vs refresh the initial CRA/CEVP analysis Use of the CRA/CEVP results to evaluate the cost/benefit of additional site investigations Incorporation of a Contractor’s view of cost into the EE Development of the published range and final EE Status: Underway (estimating working group is in planning stages)			\$100 - \$300k	9 to 18 months
B. Develop a rollout strategy for the updated guidance, including as appropriate training and mentoring			<\$100k	9 to 18 months
C. Establish a performance monitoring function to periodically: <ul style="list-style-type: none"> Assess variances <ul style="list-style-type: none"> Engineer’s Estimate to Contract award. Contract Award to Final Cost Determine if further adjustments to the estimating guidance are needed 			<\$50k	Long-term (>24 months)



High ←————→ Low

Example of Project Level Recommendations - Competition

Recommendation	Beneficial Impact	Effort Required	Cost	Timing
A. Conduct outreach to identify delivery or packaging strategies that could limit or expand competition			---	Early in preliminary engineering phase
B. Coordinate with other local agencies on the timing of major lettings so as not to exceed the capacity of local industry			---	Prior to advertisement
C. Conduct sufficient site investigations to reduce uncertainty			\$100 - \$500k	Preliminary engineering phase
D. Allocate risk more equitably			---	Preliminary engineering phase
E. Review and adjust DBE goals based on the available pool and capacity of DBE firms in the project region			<\$100k	Prior to advertisement



High ←————→ Low

Conclusions and Follow-up Activities

- Finalizing Advance Right-of-Way and Environmental Mitigation account analysis and will incorporate other general cost control measures into report recommendations
- Continuation of study included in the 2025-27 Transportation Budget:

(3) \$75,000 of the motor vehicle account—state appropriation is for the joint transportation committee to continue the alternative project delivery methods and innovative practices study under section 204(9), chapter 310, Laws of 2024. The next phase of the study must provide additional consultation on collaborative procurement and contracting approaches that may be used by the Washington state department of transportation in public works contracting to increase contract competition and support containing costs and project delivery schedule. A supplemental report on findings and recommendations, including any changes in current practice and statutory requirements, is due to the transportation committees of the legislature by December 1, 2025.

Questions



Thank you!