



Project Delivery & Innovative Practices Study of Washington State DOT

JTC Presentation
October 17, 2024

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Overall Objectives of Study

- High bids on long identified WSDOT projects resulted in frustrations on the part of all stakeholders.
- The Legislature would like to learn from WSDOT, private industry, and other transportation entities the causes of the current issues and explore more efficient ways to deliver projects.
- The goal of this study is to provide recommendations for changes to current practices and statutory requirements related to WSDOT's project delivery practices that will:
 - Reduce costs
 - Improve competition
 - Shorten the delivery schedule, or
 - Make progress in a combination of all three factors

Background – National Perspectives

Issues affecting the delivery of transportation projects nationwide:¹



OWNER PERSPECTIVE

- Fewer and higher bids particularly for large, complex multi-season fixed-price projects
- Significant post-pandemic escalation and volatility in construction labor, commodities, & equipment costs
- Attraction and retention of skilled, trained workforce to administer projects has become challenging (particularly for projects with accelerated schedules and/or in remote locations)
- More project delivery options available to consider including progressive project delivery methods (GC/CM & PDB)
- Saturated market with different owners competing for the same pool of contractors



CONTRACTOR PERSPECTIVE

- Large, complex projects with significant risks/unknowns related to site conditions, stakeholders, permitting, etc.
- Pushback against contract terms and conditions with excessive risk transfer
- Shortage of experienced staff to pursue major project opportunities
- Reluctance of surety industry to bond large projects with excessive risks



DESIGNER PERSPECTIVE

- Unreasonable or misallocated risks on the designer of record (e.g., for quantities, estimates, schedules).
- Compensation schemes that rely on estimated quantities at 30% design under a lump sum agreement
- Elevated warranty or standard of care provisions for DB that do not consider obvious differences in standard of care for design versus construction services

¹ Source: NCHRP Project No. 23-22 (Scott, Konrath, Loulakis)

Workplan Steps

Task 1: Project Delivery Methods (PDM) – Background, Overview & Examples

- Provide an overview, background, analysis of advantages/disadvantages, and examples of PDM use both in Washington and nationally.
- Evaluate WSDOT program and project performance for a sample of WSDOT projects to better understand causes of cost and schedule variances.
- Engage with WSDOT staff to gain a better understanding of WSDOT policies and procedures related to project development, budgeting, estimating, scheduling, and contract administration, and discuss performance outcomes for selected projects
- Conduct outreach to selected peer agencies outside of Washington State with similar PDM experience to determine what strategies if any are being implemented to improve performance outcomes.

Schedule: Underway, anticipated completion November 2024

Workplan Steps (cont.)

Task 2: Engagement with WSDOT, Industry Stakeholders, and other Studies

- **Stakeholder engagement:** WSDOT, other public owners, and industry in WA
 - **WSDOT Outreach:** Key topics of interest include project development and delivery, estimating and risk management, equity in contracting, and project management
 - **Other Local Public Works Agencies (LPAs) in WA**
 - **WA Industry Outreach:** Contractors, subcontractors, design firms, M/W/DBE Firms
- **Outreach to other parallel studies:**
 - Project Delivery Streamlining Study §204(10)
 - WSDOT Cost Mgmt. Analysis (including contracting methods, bundling techniques) §214(8)
 - CPARB Project Delivery Method Review (including projects N52600R, N00900R, & M00800R) §304(25)

Schedule: Underway, anticipated completion November 2024

Workplan Steps (cont.)

Task 3: Document Issues, Opportunities & Suggested Improvements

- Describe the current issues and risks facing the WSDOT program, potential improvement opportunities and strategies to eliminate or mitigate challenges.
- Focus on drivers that influence competition, costs, and delivery schedule of WSDOT projects.

Schedule: December 2024-February 2025

Workplan Steps (cont.)

Task 4: Recommendations for Improvements to Existing Project Delivery, and Innovative Approaches

- Identify and recommend potential changes to current practices or statutes
- Conduct additional outreach with peer agencies across the country to identify if there are potential practices that could be adapted by WSDOT.
- Evaluate the effectiveness of strategies specific to Washington State, such as increased use of the Advanced Environmental Mitigation Revolving Account and Advance ROW Revolving fund.

Schedule: January-April 2025

Task 5: Coordinate with the Staff Technical Team (STT)

- The STT includes Washington State Department of Transportation (WSDOT), Senate Transportation Committee (STC), House Transportation Committee (HTC) and Joint Transportation Committee (JTC) staff

Workplan Steps (cont.)

Task 6: Presentations





- October 17, 2024, study overview and workplan
- December 11, 2024, preliminary report
- OPTIONAL STC and HTC presentations during 2025 session, findings to date
- June 2025 JTC meeting, final report

Task 7: Preliminary and Final Reports

- Preliminary Report: 12/15/2024
- Final Report: 6/28/2025

Coordination with other Studies

- HKA’s schedule aligns well with the projected completion dates of related studies, allowing for:
 - Regular collaboration and information sharing between the HKA study team and the entities conducting such complimentary research activities
 - Consideration of relevant findings from the related studies when crafting recommendations in Tasks 3 and 4

WORK TASKS		2024					2025					
		Aug	Sept	Oct	Nov	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
Task 1	Project Delivery Methods (PDM) - Background, Overview, & Examples	[Task 1 Progress Bar]				 PDM Briefing Papers and WSDOT Project Performance Assessment/Trend Analysis						
Task 2	Engagement with WSDOT and Industry Stakeholders		[Task 2 Progress Bar]			 Stakeholder Outreach Summary						
Task 3	Document Issues, Opportuntiiies, & Suggested Improvements					[Task 3 Progress Bar]		 Summary of Issues, Opportunities & Improvement Recommendations				
Task 4	Recommendations: Improvements to Existing Project Delivery, Other Innovative Approaches, and Washington Specific Opportunities						[Task 4 Progress Bar]			 Summary of Improvement Recommendations including Peer Agency Outreach		

CPARB Project Delivery Method Review (including projects N52600R, N00900R, & M00800R) §304(25)

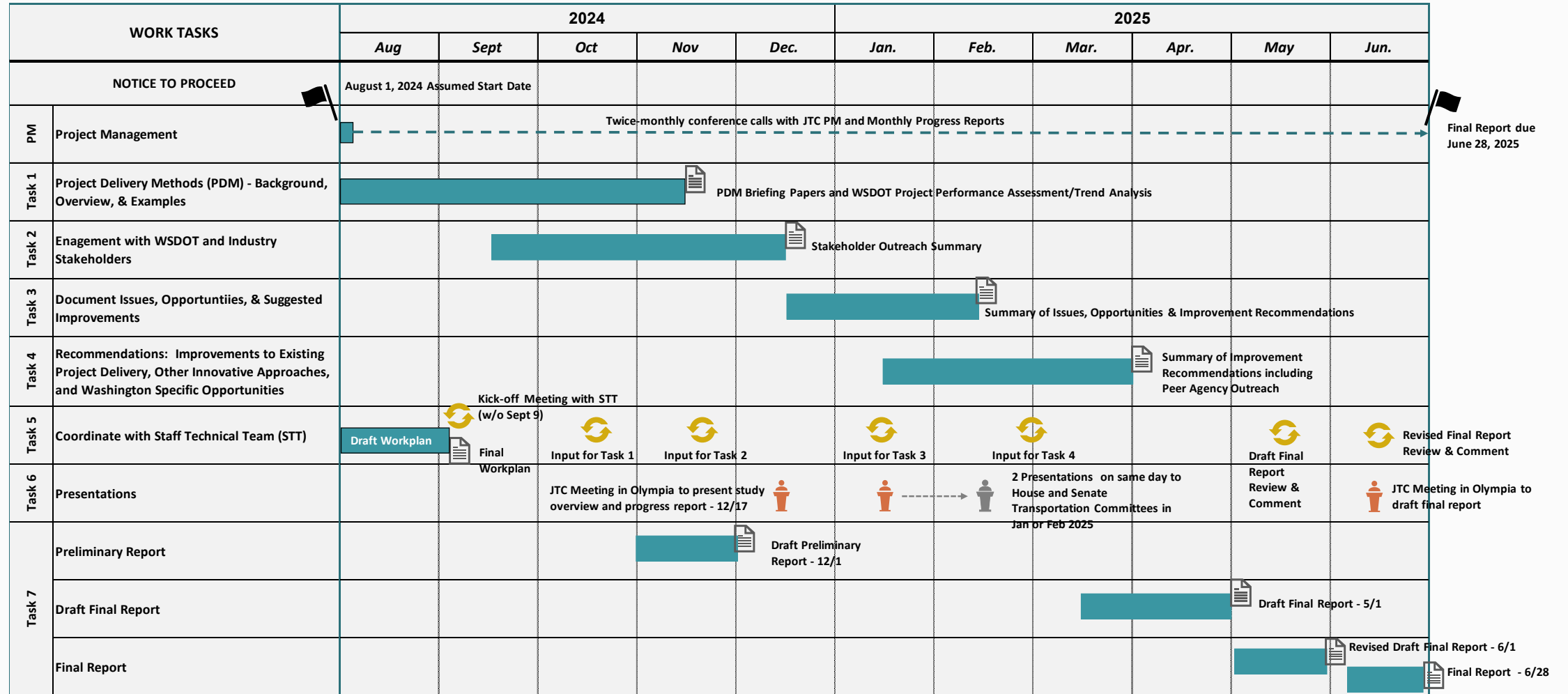
12/1/2024

12/15/2024

12/15/2024
MRSC Project Delivery Streamlining Workgroup Preliminary Report §204(10)

WSDOT Cost Mgmt Analysis (including contracting methods, bundling techniques) §214(8)

4. Schedule



Questions



Thank you!