

WSDOT/ACEC-WA Executive Liaison Committee
Tuesday, February 27, 2024 – 8:00 to 10:00 am
Meeting Minutes

Introductions/people in new positions

Mark Gaines began the meeting by announcing that Linea Laird will step down as ACEC Co-Chair. Linea introduced Jeff Carpenter, her replacement as the new ACEC Co-Chair. Jeff served as the Development Division Director and joins the committee with WSDOT knowledge and a lot of experience to bring to this role.

Mark and Van shared their appreciation for the work and contribution that Linea has given to the committee over the years while serving. Linea expressed how much she enjoyed working on this great committee.

Mark shared WSDOT staffing updates, Mike Gribner has been appointed as the Deputy Secretary. He introduced Barb Chamberlain who has been acting Assistant Secretary of Engineering and Region Operations during the recruitment to fill that role. Todd Trepanier will begin as Assistant Secretary of Engineering and Region Operations effective March 1st. Todd introduced himself and shared he was looking forward to working with the others on the committee.

Budget/Staffing Update/Legislative Update:

Marshall Elizer

- We are currently in a holding pattern with the budget which has dropped out of both the House and the Senate. There are issues around project cost overruns and the Fish program, and our need for more funding for safety, and preservation to maintain roads, bridges, and facilities. However, there probably will not be a lot of new funds coming our way.
- With the 7,500 – 7,600 workers currently at WSDOT, we have one of the largest workforces we've had in a long time. However, we have one of the most inexperienced workforces we've ever seen.

Todd Trepanier:

- With over half of our workforce being new to WSDOT there is a large gap between those who have been with WSDOT for a long time and those who have only been here for several years. Considering the current budget and workload, we have a lot of work ahead to train our workforce, so that they have the right skill set to meet our organizational commitments. Todd suggested the focus for the next biennium should be to plan for staffing needs.

Van Collins:

- It will be interesting to see what will happen over the next year considering that the Climate Commitment ACT will be on the ballot to revoke. Significant contributors will come from the private industry, and the National Organization will need to help. 2117 – The P3 Bill is in the House and will require legislative oversight on projects. Van can see concerns playing out but admitted it probably won't be passed. We need to focus more on supplemental budgets.
- The 520 Tolling Bill from I-5 to Redmond Way had a vote of 3 - Y to 450 – N. It was good to question where tolling might be necessary and appropriate. The sponsor introduced the subject to gain some perspective. There should be concern about funding and how to pay for roads going forward. This issue continues to be discussed.

Mark commented that several pieces of legislation have focused on WSDOT's cost estimating and recognizes that there have been a few projects where design-build proposal amounts have come in way above engineers' estimates. The legislature is trying to determine what can be done to make our estimates more accurate. In a dynamic market, it's hard to budget enough to stay up with market inflation which has increased the costs dramatically.

Subcommittee Updates

Business Administration

Erik Jonson Ron Paananen

- Our committee has been tackling the small business discussion and utilization for the last couple of meetings. Jackie Baine from OECR reviewed the disparity study and went over the results. Discussion was held about contract terms and the confusion some firms have communicated to the Contract Services Office about the dates within the contracts. A class was conducted and discussed about the rates and Safe Harbor.
- Ron Paananen shared there have been past discussions regarding rate approvals and the time it takes for approval. They've had some firms complaining about what it takes to get rates approved. Schatzie Harvey is doing a good job presenting information and it's been noted when forms are filled out properly it doesn't take that long.

Design-Build

Art McClusky

- We spent our first meeting looking at the survey from the fall that identified several factors that cause firms to hesitate to submit bids for WSDOT's Design/Build projects. We've committed 2024 to address some of those factors, including firms that hesitate over bidding due to their concern about WSDOT cost estimates. The survey verifies that firms question the accuracy of WSDOT's cost estimates. Mark Gabel gave a presentation on how WSDOT estimates projects, limitations, and best practices.
- During their next meeting, they plan to discuss the stipend amount WSDOT pays for Design/Build Projects. The plan is to use an additional survey to develop a schedule of reasonable stipend amounts for Fish Barrier projects of different sizes and all other Design/Build projects. They will also discuss WSDOT's policy of promoting remote work

and how it affects Design/Build projects. The team is planning more surveys in the future.

- Linea asked about Bonding and Insurance and whether WSDOT is going to address these issues. She pointed out that in the past there was special bonding language that has since expired, which allowed contractors to bond the project differently than they had done in the past. Art had not heard of those concerns around any of the current projects, however, that discussion is welcome if there are issues with this. Bonding can be an issue when there are very large jobs for WSDOT. It was pointed out that for contractors the best size for projects is from \$250,000,000 - \$280,000,000. Contracts bigger than that can be more difficult for the contractors to bid on. The survey revealed that contractors feel that WSDOT projects are too big.

Project Delivery

Rafael Reyes

- Their group has been rebuilding their committee with new team members from both WSDOT and ACEC. Their focus is on project delivery, and they recently received an update on a new design documentation tool being developed by the Headquarters Development Division that was well received. This tool will assist designers, from WSDOT and consultants, to document the design process and should add value to the process both inside and outside of WSDOT. More updates are expected as the development of that tool progresses.
- The Design Manual is going through its annual update before the Statewide Review in a couple of months. ACEC will be providing a central contact for all comments from consultants and will be delivering their comments to WSDOT. They will be gathering information on what is working well, or not so well, on a statewide level.
- We are investigating if there is anything we can do to help with delivering projects, like looking at other Design tools like Blue Beam and determining if there is potential for it to be used as a statewide tool. Other tools being considered are the Open Roads Transition at WSDOT and getting more information related to Progressive Design/Build updates.

Structures & Geotechnical

Evan Grimm and Joan Zhong-Brisbois

- Joan Zhong-Brisbois spoke about Generative AI and production practices. Joan reported that the committee last discussed Generative AI and large language model (LLM) and how these processes will help with proficiency, efficiency, and project delivery. They deliberated over the current practice of WSDOT from a practical engineering side and shared information about content generation and quality, with a presentation being used to look up new terminologies. The younger generation in our workforce are better at this concept which creates a great opportunity to utilize their abilities. Combining their knowledge of these technologies with our more experienced staff members will be beneficial. Discussion will continue about risks and concerns around data security and how to maintain our LLM and ensure quality.
- Evan shared that Andrew Fiske, State Geotechnical Engineer with the Materials Lab uses AI a lot for report generating, technical design, and code writing.

- They have been consulting preservation design work and their committee has been looking at ideas to improve the outsourcing of preservation projects. Coordinating with Bridge Design they have gotten into offloading preservation work by the nature of the demand right now, and staff augmentation helps to guide consultants to our technical design approaches. When the concept first came up, the vision was to get more funding for preservation, which has not materialized.
- Mark Gaines shared that the Design team has decided to give Generative AI a try. John Tevis has taken the lead and applied for 3-4 licenses to chat GPT4. John's early vision of this is to use it to load large documents like the Design Manual. We can use this technology to capture the data, as well as organize and streamline our processes while looking for other opportunities to use this technology.

Local Programs Update

Jay Drye

- We continue to have challenges with consultant agreements expiring in the middle of projects. It is important to pay close attention to expiration dates and address them appropriately and timely.
- They closed out a project call targeting Fish Passage projects and he stated that the selection of those projects for Fish Passage will total around \$50,000,000. Unfortunately, funding hasn't caught up on the local side.
- An internal Safety Town Hall at WSDOT focused on how to make effective changes to the safety statistics regarding the large number of fatalities happening on the roadways, even though the local safety program is recognized as robust and one of the best in the nation. We have \$ 1.8 billion with only \$70 million designated for safety. 38 cities have applied for 108 projects, all good city projects that need funding with only \$35 million that can be awarded, but projects represent a cost of \$105 million. JTC study has recommendations to improve partnerships and looks to improve relationships and eliminate obstacles for locals when trying to push their projects forward.
- Van mentioned that on a federal level language has been added to a national bill that will allow money to go directly to local agencies and would not have the requirement of the Brooks Act. He also stated that it is not relevant in Washington State because of our requirements.

2024 WSDOT/ACEC Annual Meeting

It was decided that the 2024 WSDOT/ACEC Annual Meeting will be held. in Tacoma at Hotel Murano on June 11th. Claire Inslee will work with the hotel to get started on the meeting logistics.

Mark and Van asked if anyone had ideas for the Annual meeting agenda topics. Van will work to get one or possibly two speakers to provide perspective on the 2024 Legislative Session.

A planning subcommittee will meet to create an agenda. It was shared that the feedback from the survey after last year's annual meeting suggested that participants would like to hear more from the ACEC side.

NOTE: A suggested agenda item could be on the topic of cost estimating and how WSDOT can improve on estimating projects. The committee was encouraged to speak with their subcommittees to provide ideas for the planning subcommittee. Leann George will get two meetings set up with the planning subcommittee.

Safe Harbor

Steve McKerney and Jeff Tawney with the WSDOT Internal Audit Office gave a presentation on the Safe Harbor program rates. Safe Harbor is an integral part of the larger overhead rate review and responsibilities. WSDOT Internal Audits' mission is to enhance WSDOT's success by providing risk-based and objective assurance and advice. This includes internal audits, internal investigations, audits of agreements and contracts with external service providers like consultants, Indirect Cost Rate (ICR) reviews, and the Safe Harbor Program.

The Safe Harbor Program is useful for firms that: are new to contracting with the government, have never had a Federal Acquisition Rule (FAR)-compliant rate on a government contract, and if they want to develop an indirect cost rate. This program provides an ICR Home Rate of 110% and is not subject to audits. This allows a consulting firm time to develop an indirect cost rate under the FAR.

The presentation outlined exactly how the Safe Harbor program works and how beneficial it is to WSDOT. There are currently 328 firms participating in the program, 70 firms have graduated from the program, and on average a firm remains in this program for four years. Most of the firms currently enrolled in the program (262 of the 328) are smaller firms with 10 or fewer employees.

ACEC Small Business Survey

Van Collins provided an overview of a survey created to go out to firms, asking about their experience performing work for WSDOT. This survey will go to firms that may or may not be part of the Safe Harbor program. Many of the questions in the survey targeted small firms and addressed the Safe Harbor Program application and use, also allowing room for comments. The survey is meant to identify any obstacles or barriers standing in the way of firms pursuing work for WSDOT and should be distributed in the next few weeks. WSDOT will review the survey internally to ensure there are no concerns.

There has been discussion about relaxing some content and removing the restrictions on offering Preliminary Hydraulic Design (PHDs) which currently creates challenges and limits on the competition. Discussion is being held internally about conflicts and side conversations regarding what co-managers would want. (Co-managers being Tribes, DFW, Fisheries, Army Corp, etc.).

Van commented that WSDOT is listening and doing a risk analysis while looking at all issues. We aim to do our best to reduce risks, conflicts, and advantages. Expectations and understandings are clear as long as there are explanations about why things are being done, and we are clear on reasons to change requirements. We want to ensure people are treated fairly and equally across the state.

Upcoming Meetings and Action Items

April 19, 2024 Meeting

Leann George created a poll for the committee to see if the preference would be to have a virtual or a hybrid meeting. During the Hybrid meetings, it can feel like the virtual attendees are not getting as much out of the meetings as the in-person attendees. Leann George created a poll for the group to vote. The outcome of the poll was close to 50/50. More to come on the final decision.

Action Items

- 1) Steve McKerney will send a copy of the Safe Harbor presentation.
- 2) Van Collins will send a copy of the Small Business Survey
- 3) Mark and other internal WSDOT folks will review the Small Business Survey and provide feedback to Van if needed.
- 4) Leann George will schedule subcommittee planning meetings for the WSDOT/ACEC Annual Meeting in June.
- 5) Van Collins will work on recruiting speaker(s) for the Legislative agenda item for the WSDOT/ACEC Annual Meeting.

Adjourn

The meeting adjourned at 11:50 am.