Washington State Department of Transportation

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

July 28, 2025

The Honorable Jake Fey
House Transportation Committee
PO Box 40600
Olympia, WA 98504-0600

The Honorable Mike Pellicciotti
Office of the State Treasurer
PO Box 40200
Olympia, WA 98504-0200

The Honorable Marko Liias
Senate Transportation Committee
PO Box 40444
Olympia, WA 98504-0444

Subject: Semi-Annual Practical Design Savings Report required by RCW 47.01.480

Dear Honorable Jake Fey, Marko Liias, and Mike Pellicciotti:

On behalf of the Washington State Department of Transportation (WSDOT), this letter summarizes practical design savings to date on Connecting Washington (CW) funded projects. This report was prepared in a manner consistent with the requirements outlined in RCW 47.01.480.

This report also identifies savings remaining at the completion of a Connecting Washington project for which the State Treasurer will transfer from the applicable account to the Transportation Future Funding Program Account. Once funding is transferred to the new account, consistent with RCW 47.01.480, the Legislature may select additional projects to be delivered through the budget development process.

Since our last semi-annual Practical Design Savings Report was submitted in January 2025, two Local Program projects were completed within the current reporting period, November 1, 2024 - April 30, 2025, with total project cost savings. For both projects, the total project cost was reduced in the 2025-27 Transportation Budget to reflect these savings as follows:

- Community Facilities District Improvements - Stages 1 & 2 ($732,922)
- Harbour Reach Extension ($1,478,833)

Based on the requirements in RCW 47.01.480, WSDOT has identified $2,211,755 of project savings of Connecting Washington Account funds to be transferred by the State Treasurer's Office from the Connecting Washington Account to the Transportation Future Funding Program Account.

Report Details
Attachment A provides a summary of the conversion of the Legislative project budget to constant dollars for comparison to the engineer's project estimate at the time of construction advertisement in constant dollars. If the Legislative project budget is larger than the engineer's project estimate, the difference is reported as practical design savings. To keep the report from becoming too lengthy, projects previously reported on this attachment have been removed and are listed in Attachment B. Attachment A includes projects advertised or authorized for construction between November 1, 2024, and April 30, 2025. Four projects within the Highway Construction - Improvement Program and one Local Programs project were advertised within the reporting period. As a result of the calculations, there were potential practical design savings on two projects as shown in Attachment A. Cumulative practical design savings are included in the report.

Attachment B provides a summary of the CW projects advertised and had practical design savings identified and total project savings calculated. These projects are in construction and will have total actual savings calculated when the projects are complete and closed. One project was completed and closed within the reporting period.

Attachment C provides background and assumptions used in preparation of this report.

If you have any questions about this report, please contact Troy Suing, Director of Capital Program Development and Management, at (360) 705-7121 or troy.suing@wsdot.wa.gov.

Sincerely,

Julie Meredith, P.E.
Secretary of Transportation

JM:mw
Enclosure

Attachment A

Constant Dollar Conversion Assumptions
for Calculating Savings Attributable to Practical Design

Program	Legislative BIN[1]	Project Title[2]	Legislative Project Cost Estimate in YOE $ (inflated)[3]	Cost in 2014 $ (uninflated)[4]	Engineers Estimate at Advertisement in 2014 $ (uninflated)[5]	Practical Design Savings[6]
Highway Construction - Improvement Program						
		Previously Reported Practical Design Savings				62,268,000
	M00800R	**US 395 North Spokane Corridor**	**878,900,000**	**713,567,000**		
		US 395/NSC Columbia to Freya		18,676,000	20,153,000	0[8,9]
		US 395/NSC BNSF - 2nd Railroad Realignment		44,348,000	63,639,000	0[9]
		US 395/NSC Wellesley Ave Improvements		25,148,000	31,993,199	0[9]
		US 395/NSC Spokane River to Columbia		31,987,000	41,011,000	0[9]
		US 395/NSC Spokane River to Columbia - Shared Use Path		13,898,000	11,433,000	2,465,000[9]
		US 395/NSC Spokane River to Columbia - Phase 2		1,577,000	2,441,000	0[8,9]
		US 395/NSC Spokane River Crossing		49,505,000	67,998,000	0[9]
		US 395/NSC Sprague Ave to Spokane River - Phase 1		32,084,000	51,870,000	0[9]
		Eastern Region TMC Improvements		1,010,000	1,010,000	0[8]
		I-90/Magnolia Pedestrian Bridge - Emergency Removal		487,000	487,000	0[9]
		US 395/NSC Sprague Ave to Spokane River - Stage 3		76,994,000	64,634,000	12,360,000
		US 395 North Spokane Corridor (Additional construction packages yet to be determined)		417,853,000		
	L1000291	**SR 224/ Red Mountain Improvements**	**25,000,000**	14,991,000	18,375,000	0
	M00100R	**I-5 JBLM Corridor Improvements**	**494,400,000**	**439,261,000**		
		I-5/Mounts Rd to Center Dr - Auxiliary Lane Extension		13,113,000	12,629,000	484,000[9]
		I-5/Steilacoom-Dupont Rd to Thorne Ln - Corridor Improvements		281,998,622	298,809,000	0
		I-5/Mounts Rd to Steilacoom-Dupont Rd - Corridor Improvements		166,337,537	168,050,000	0
		I-5/Steilacoom DuPont Rd to Gravelly Lake Dr - Corridor Improvements		20,799,000	23,800,000	0
		I-5/Mounts Rd Vicinity - VMS		669,000	670,000	0[9]
		I-5 JBLM Corridor Improvements (Additional construction packages yet to be determined)		(43,656,160)		
	N00900R	**SR 9/Marsh Road to 2nd Street Vic - Widening with Bridge Construction**	142,100,000	115,685,000	88,954,000	26,731,000

Attachment A

Highway Construction - Preservation Program

Previously Reported Practical Design Savings 2,399,000

No projects advertised during this reporting period

Ferry Capital Program

Previously Reported Practical Design Savings 578,000

No projects advertised during this reporting period

Facilities Capital Program

No projects advertised during this reporting period

Rail Capital Program

Previously Reported Practical Design Savings 548,000

No projects advertised during this reporting period

Program	Legislative BIN[1]	Project Title[2]	Legislative Project Contribution	Local Jurisdiction Self-Reported Savings[7]
Local Programs				
	L1000087	**I-5/Port of Tacoma Road Interchange**	**22,300,000**	
		Port of Tacoma Rd Interchange - Phase 2A	5,100,000	0

Summary

Practical Design Savings in this Report	**0**
Cumulative Practical Design Savings by Program	
Highway Construction - Improvement Program	101,359,000
Highway Construction - Preservation Program	2,399,000
Ferry Capital Program	578,000
Facilities Capital Program	0
Rail Capital Program	548,000
Local Programs	0
Cumulative Practical Design Savings through April 30, 2025	**104,884,000**

NOTE: This semi-annual report reflects delivery information for those projects advertised in the reporting cycle, November 1st, 2024 through April 30st, 2025. Summary Practical Design Savings will be reflected in each report.

Footnotes:

[1] Legislative project identification number.

[2] Project title from the 2015 Legislative Budget is shown in bold. The legislative project may be delivered using multiple construction projects. In this case, the construction projects are shown below the bolded legislative project. This additional detail is provided as construction projects are advertised.

[3] Total project cost from the 2015 Legislative project list in Year of Expenditure (YOE) dollars.

[4] Project cost portrayed in 2014 dollars deflated by the index in use by the department in December 2014.

[5] Engineer's estimate of total project cost at advertisement in 2014 dollars. Deflated using the index in use by the department at the time of project AD/RFP.

[6] Practical Design Savings are reported following construction advertisement in nominal dollars; prior to the completion of construction. Practical solutions are calculated by comparing the legislative uninflated project cost estimate with the uninflated project estimate at advertisement or release of a Request for Proposal (RFP) for design-build projects. The two uninflated project estimates are stated in the same year current dollars for calculating the practical design savings exclusive

[7] Information on Connecting WA projects managed by local jurisdictions is self-reported by the local jurisdiction.

[8] Connecting WA funded the construction phase only. No Practical Design Savings are calculated for construction only projects.

[9] Previously reported

[10] Contribution to Local project. No Practical Design Savings are calculated for contribution only projects.

Indicates new information to this report.

Attachment B

Semi-Annual Project Savings Report
to the State Treasurer and Legislative Transportation Committees
Active Projects

Program	Legislative BIN[1]	Project Title[2]	Practical Design Savings[3]	Unused Contingency[4]	Retired Risk Savings[5]	Total Savings Available[6]	Estimated Savings Available Date[7]
Highway Construction - Improvement Program							
	L1000099	I-5/Slater Road Interchange - Roundabout	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L1000110	**I-405/NE 132nd Interchange - Totem Lake**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L1000113	**I-90/SR 18 I/C to Deep Creek - Interchange Improvements &**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L1100110	**I-5/Marvin Road/SR 510 Interchange**	23,488,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L1100101	**SR 520/148th Ave NE Overlake Access Ramp**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000057	**SR 26/Dusty to Colfax - Add Climbing Lanes**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		SR 26/Dusty to Colfax - Add Passing Lane	0[8]	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000061	**SR 28/SR 285, North Wenatchee Area Improvements**					
		US 2/97 Easy Street - Roundabout	0	TBD[9]	TBD[9]	TBD[9]	1/1/2029
	L2000094	**I-90/Medical Lake & Geiger Interchanges**					
		I-90/Medical Lake I/C to Geiger Field I/C - Reconstruction	394,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		I-90/Medical Lake I/C to Geiger Field I/C - Reconstruction - Phase 2	1,995,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000102	**SR 14/I-205 to SE 164th Avenue-Auxiliary Lanes**	0	TBD[9]	TBD[9]	TBD[9]	7/1/2026
	L2000117	**SR 501/I-5 to Port of Vancouver**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000122	**I-90/Barker to Harvard - Improve Interchanges & Local Roads**					
		I-90/Barker to Harvard - Improve Interchanges and Local Roads	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		I-90/Barker to Harvard - WB on-Ramp Improvement	458,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		I-90/Barker to Harvard - Add Lane Harvard Rd Bridge	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		I-90/Barker to Harvard Phase 2 - Improve Interchanges and Local	0[8]	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000123	**I-82/ EB WB On and Off Ramps**	8,769,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000127	**US 395/Ridgeline Intersection**	0[8]	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000160	**I-5/Ship Canal Noise Wall**	**0**	TBD[9]	TBD[9]	TBD[9]	1/1/2026

Attachment B

Program	Legislative BIN[1]	Project Title[2]	Practical Design Savings[3]	Unused Contingency[4]	Retired Risk Savings[5]	Total Savings Available[6]	Estimated Savings Available Date[7]
	L2000170	**SR 125/9th Street Plaza - Intersection Improvements**					
		SR 125/Plaza Way - Intersection Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		SR 125/Plaza Way Vic Stage 2 - Sidewalk Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000201	**I-90/Eastgate to SR 900 - Corridor Improvements**	9,473,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000202	**SR 240/Richland Corridor Improvements**					
		SR 240/Richland Corridor Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		SR 240/SR 225 Intersection - Construct Roundabout	0[8]	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000223	**I-5 /Chamber Way Interchange Vicinity Improvements**					
		I-5/SW Parkland Drive to Harrison Ave - Ramp Meters	0	TBD[9]	TBD[9]	TBD[9]	1/1/2032
	M00100R	**I-5 JBLM Corridor Improvements**					
		I-5/Steilacoom-Dupont Rd to Thorne Ln - Corridor Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2028
		I-5/Mounts Rd to Steilacoom-DuPont Rd - Corridor Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2028
	M00400R	**SR 520 Seattle Corridor Improvements - West End**					
		SR 520/Montlake to Lake Washington - I/C and Bridge Replacement	2,268,000	TBD[9]	TBD[9]	TBD[9]	7/1/2031
		SR 520/I-5 to Montlake - Bridge Replacement	0	TBD[9]	TBD[9]	TBD[9]	7/1/2031
		SR 520/I-5 Interchange - Improvement	0	TBD[9]	TBD[9]	TBD[9]	7/1/2031
	M00500R	**I-90 Snoqualmie Pass - Widen to Easton**					
		I-90/Cabin Cr I/C to W Easton I/C Phase 3 - Add Lanes/Wildlife Bridges	0	TBD[9]	TBD[9]	TBD[9]	1/1/2032
		I-90/Stampede Pass I/C EB - Replace Concrete Panels	0	TBD[9]	TBD[9]	TBD[9]	1/1/2032
		I-90/Easton Hill to W Easton I/C WB - Replace Bridge and Build Detour	0[8]	TBD[9]	TBD[9]	TBD[9]	1/1/2032
		I-90/Cabin Creek I/C EB - Replace Concrete Panels	0	TBD[9]	TBD[9]	TBD[9]	1/1/2032
	M00600R	**SR 167/SR 509 Puget Sound Gateway**					
		SR 167/SR 161 to SR 410 - Rebuild Interchange	0[8]	TBD[9]	TBD[9]	TBD[9]	7/1/2033

Attachment B

Program	Legislative BIN[1]	Project Title[2]	Practical Design Savings[3]	Unused Contingency[4]	Retired Risk Savings[5]	Total Savings Available[6]	Estimated Savings Available Date[7]
		SR 167/I-5 to SR 161 - New Expressway	0	TBD[9]	TBD[9]	TBD[9]	7/1/2033
		SR 167/I-5 to SR 509 - Stage 1B	0	TBD9	TBD9	TBD9	7/1/2033
		SR 167/I-5 to SR 509 - Stage 1A	0	TBD[9]	TBD[9]	TBD[9]	7/1/2033
		SR 509/I-5 & SR 516 I/C to 28th/24th Ave S - SR 509 Completion Stage 1	0	TBD[9]	TBD[9]	TBD[9]	7/1/2033
		SR 509/28th/24th Ave S to S 188th St - SR 509 Completion Stage 2	0	TBD[9]	TBD[9]	TBD[9]	7/1/2033
		SR 509/King County Trail (WSDOT Contribution)	0[11]	TBD[9]	TBD[9]	TBD[9]	7/1/2033
		SR 509/ST Stage 1 Elements (WSDOT Contribution)	0[11]	TBD[9]	TBD[9]	TBD[9]	7/1/2033
	M00800R	**US 395 North Spokane Corridor**					
		US 395/NSC Columbia to Freya	0	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		US 395/NSC BNSF - 2nd Railroad Realignment	0	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		US 395/NSC Wellesley Ave Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		US 395/NSC Spokane River to Columbia	0	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		US 395/NSC Spokane River to Columbia - Shared Use Path	2,465,000	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		US 395/NSC Spokane River to Columbia - Phase 2	0[8]	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		US 395/NSC Spokane River Crossing	0	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		US 395/NSC Sprague Ave to Spokane River - Phase 1	0	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		Eastern Region TMC Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2031
		I-90/Magnolia Pedestrian Bridge - Emergency Removal	0[13]	TBD[9]	TBD[9]	TBD[9]	1/1/2031
	M00900R	**I-405 Renton to Lynwood - Corridor Widening**					
		SR 167 Toll Upgrade	0	TBD[9]	TBD[9]	TBD[9]	7/1/2039
		SR 167/SR 516 to S 277th St - Southbound Aux Lane	0	TBD[9]	TBD[9]	TBD[9]	7/1/2039
		I-405/Springbrook Creek Mitigation Bank - Long Term Management	0[8]	TBD[9]	TBD[9]	TBD[9]	7/1/2039
		I-405/SR 167 Direct Connector - Widening	0[8]	TBD[9]	TBD[9]	TBD[9]	7/1/2039
		I-405 Corridor - Wetland Mitigation Credits	0[8]	TBD[9]	TBD[9]	TBD[9]	7/1/2039
		I-405/Renton to Bellevue - Corridor Widening & ETL (Stage 2)	0	TBD[9]	TBD[9]	TBD[9]	7/1/2039

Attachment B

Program	Legislative BIN[1]	Project Title[2]	Practical Design Savings[3]	Unused Contingency[4]	Retired Risk Savings[5]	Total Savings Available[6]	Estimated Savings Available Date[7]
		I-405/Toll Vendor for Renton to Bellevue - Toll System	0[8]	TBD[9]	TBD[9]	TBD[9]	7/1/2039
	N30500R	**SR 305 Construction - Safety and Mobility Improvements**					
		SR 305/Johnson Rd - Roundabout	0	TBD[9]	TBD[9]	TBD[9]	1/1/2034
		SR 305/Port Madison, Agatewood Rd, Adas Will Ln - Safety Improvements	0	TBD[9]	TBD[9]	TBD[9]	1/1/2034
	N92040R	**SR 9/SR 204 Intersection - Improvements**	3,935,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	T20700SC	**I-5/116th Street and 88th Street Interchanges - Improvements**					
		I-5/116th St NE Interchange - Tulalip Tribe Lead	0[11]	TBD[9]	TBD[9]	TBD[9]	7/1/2027
	T20900R	**US-12/Walla Walla Corridor Improvements**					
		US 12/Nine Mile Hill to Frenchtown Vic - Build New Highway	0	TBD[9]	TBD[9]	TBD[9]	1/1/2029
Highway Construction - Preservation Program							
	G2000055	**Land Mobile Radio (LMR) Upgrade**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000174	**SR 241/Mabton Vicinity - Retrofit Bridges**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000075	**US 12/Wildcat Bridge Replacement**	2,399,000	TBD[9]	TBD[9]	TBD[9]	1/1/2026
Ferry Capital Program							
	L2000109	**#4 - 144 capacity vessel**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	900010L	**Seattle Tml Preservation**					
		SR 519/Seattle Trm - Terminal Bldg & N. Trestle Replacement	0	TBD[9]	TBD[9]	TBD[9]	7/1/2026
		SR 519/Seattle Trm Slip 3 - OHL & Transfer Span Replacement	578,000	TBD[9]	TBD[9]	TBD[9]	7/1/2026
		SR 339/Seattle Trm - Passenger-Only Ferry Facilities Replacement	0	TBD[9]	TBD[9]	TBD[9]	7/1/2026
	952515P	**Mukilteo Tml Improvement**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2027
	L2000166	**Clinton Tml Road Improvements**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
Facilities Capital Program							
	No currently active projects						
Rail Capital Program							
	L1000147	**South Kelso Railroad Crossing**	52,000	TBD[9]	TBD[9]	TBD[9]	7/1/2028
	L1100080	**Port of Moses Lake**	496,000	TBD[9]	TBD[9]	TBD[9]	1/1/2029

Attachment B

Program	Legislative BIN[1]	Project Title[2]	Practical Design Savings[3]	Unused Contingency[4]	Retired Risk Savings[5]	Total Savings Available[6]	Estimated Savings Available Date[7]
	L2000191	**Palouse River and Coulee City RR**	0	TBD[9]	TBD[9]	TBD[9]	7/1/2031
Local Programs[10]							
	L1000081	**Community Facilities District Improvements (Redmond)**					
		Community Facilities District Improvements - Stages 1 & 2	0	0	0	732,922	7/1/2025
	L1000148	SR 523 145th Street	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000065	**SR 502 Main Street/Widening**					
		SR 502/SR 503 Turn Lanes	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
		NW 12th Ave/NW 1st St	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000066	**Lewis Street Bridge**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000104	**Covington Connector**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000136	**Harbour Reach Extension**	0	0	0	1,478,833	7/1/2025
	L2000137	**Sammamish Bridge Corridor**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000205	**I-5/Mellen Street Connector**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2000228	**Thornton Road Overpass**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	L2220059	**SR 516/Jenkins Creek to 185th**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	N52400R	**SR 524: 48th Ave W - 37th Ave W**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026
	NEDMOND	**SR 99 Revitalization in Edmonds**	0	TBD[9]	TBD[9]	TBD[9]	1/1/2026

Funds to transfer to the Transportation Future Funding Program Account for this reporting period. **2,211,755**

Previously Identified Funds for Transfer **$15,276,502**

Cumulative funds identified for transfer to the Transportation Future Funding Program Account **$17,488,257**

NOTE: This semi-annual report reflects delivery information for those projects advertised in the reporting cycle, November 1st, 2024 through April 30th, 2025. Summary Practical Design Savings will be reflected in each report.

Footnotes:

[1] Legislative project identification number.

[2] Project title from the 2015 Legislative Budget is shown in bold. The legislative project may be delivered using multiple construction projects. In this case, the construction projects are shown below the bolded legislative project. This additional detail is provided as construction projects are advertised.

[3] Practical design savings are reported shortly following construction advertisement; prior to the completion of construction. Practical solutions are calculated by comparing the legislative uninflated project cost estimate with the uninflated project estimate at advertisement or release of a Request for Proposal (RFP) for design-build projects. The two uninflated project estimates are stated in the same year current dollars for calculating the practical design savings exclusive of inflationary impacts.

[4] Contingency funds established with each construction project consistent with WSDOT policy and standard industry practice. Unused contingency funds will be reported at the completion of the project.

Attachment B

Program	Legislative BIN[1]	Project Title[2]	Practical Design Savings[3]	Unused Contingency[4]	Retired Risk Savings[5]	Total Savings Available[6]	Estimated Savings Available Date[7]

[5] Risk reserves are established for larger construction projects for identified potential construction delivery risks, consistent with WSDOT policy and standard industry practice. Risks that are unrealized are retired and the funding remains on the legislative identified project until completion of the entire legislative scope of work is completed. Unused risk reserves will be reported at the completion of the project.

[6] Total savings available represents the unused funding available at the completion of the entire legislative scope of work on a project. This amount reflects the funding that the treasurer must transfer from the Connection Washington Account or the Multimodal Transportation Account to the Transportation Futures Funding Program Account.

[7] Estimate savings available date reflects the anticipated date in which the savings will be available for transfer. It is based on the date in which the project or BIN is anticipated to be complete.

[8] Connecting WA funded the construction phase only. No Practical Design Savings are calculated for construction only projects.

[9] The project is currently in construction. Actual savings for unused contingency, unused risk, and savings available to transfer will be known when project is completed for PINs. Actual savings for BINs will be known when all projects in the BIN are complete.

[10] Information on Connecting WA projects managed by local jurisdictions is self-reported by the local jurisdiction.

[11] Contribution to Local project. No Practical Design Savings are calculated for contribution only projects.

[12] Study only. Practical Design Savings are not calculated for studies.

[13] The poor condition of the pedestrian structure required this projects work to be completed earlier than the original project provided. The scope on this project was removed from the original project.

Indicates updated information since last report.

Attachment C

Practical Design Report Background, Assumptions and WSDOT Efforts to Implement Practical Design

Background

As part of the Connecting Washington transportation revenue package passed by the Legislature and signed by the Governor in July 2015, Engrossed Substitute House Bill (ESHB) 2012 was enacted and codified as RCW 47.01.480 and RCW 47.01.485. This law provides direction on performance and reporting expectations on implementing practical design for CW-funded projects. The law requires two reports to be prepared; a semi-annual report submitted July 1 and January 1 identifying practical design savings, retired risk and unused contingencies. The second report is required annually with the department's budget submittal and includes the savings mentioned above plus the addition of savings generated through scope changes, associated impacts on risk and changes in the cost of materials.

This letter is in response to the semi-annual report, which requires information on practical design savings, unused risk reserves, unused contingency, and identification of savings for the State Treasurer to transfer from the Connecting Washington Account to the Transportation Future Funding Program Account. If no savings are identified to be transferred at the time of reporting, an estimated date for savings to materialize is provided. The specific language for the semi-annual report is as follows:

> RCW 47.01.480 (2)(b) - ***Beginning July 1, 2016, the department must submit a report to the state treasurer and the transportation committees of the legislature once every six months identifying the amount of savings attributable to the application of practical design, retired risk, and unused contingency funding, and report when the savings become available. The state treasurer must transfer the available amounts identified in the report to the transportation future funding program account created in RCW 46.68.396.***

Furthermore, the law outlines the basic methodology associated with how the practical design savings element of the report should be calculated. The following is an excerpt from the law:

> RCW 47.01.480 (1)(c) ***- To determine the savings attributable to practical design, each connecting Washington project must be evaluated. For design-bid-build projects, the evaluation must occur at the end of the project design phase. For design-build projects, the evaluation must occur at the completion of thirty percent design…***

Given the above direction, the reporting requirements associated with this semi-annual report include elements which are to be reported at the completion of the project design phase (savings attributable to practical design) and project construction (retired risk and unused contingency funding). Since WSDOT often delivers legislative line-item projects using multiple construction contracts, the final reporting element (savings

available to transfer) will not be available until the last construction contract to deliver the legislative line-item project has been completed.

It should be noted that this report does not convey a complete summary of events associated with the quality, efficiency, and/or challenges of project delivery. For example, the report does not include information comparing the winning project bid to the engineers estimate at contract award and the risks, which are either mitigated or materialized. WSDOT assumes that other existing reporting mechanisms will provide this additional information on project delivery.

The report includes Connecting Washington line-item projects in the following programs: Highway Construction Improvement and Preservation, Washington State Ferries Capital, Rail Capital, Facility Capital and Local Programs Capital as reflected on the latest legislative project list once design is completed. Programmatic items included in the legislative project list such as the Highway System Preservation, fish barrier removal, ferry vessel and terminal preservation, grant programs for bicycle/pedestrian, transit and rail projects are assumed to be fixed levels of investment intended to deliver as much of the identified work as possible over the 16-year period. Therefore, programmatic entries will not be included in this report. Additionally, to capture the savings attributable to practical design decisions, WSDOT will remove the impact of inflation from the calculation of project savings. The detailed information in these reports will capture practical design savings based on a constant dollar comparison between the original (uninflated) legislative project budget and the (uninflated) project estimate at the time of advertisement. Furthermore, WSDOT assumes that the issuance of the Request for Proposal (RFP) represents completion of 30 percent design for calculating the savings attributable to practical design on design-build projects. Additional assumptions associated with this report include:

- Projects that have already been designed using non-CW funding and have only construction funded through CW will not have any practical design savings reported. Savings from these projects will be reflected in other currently required reporting elements.
- Projects where CW does not complete the design will be reported at the end of the design phase, or when available funding is used. Other required reporting elements will not be reported on until construction funding becomes available.
- Planning studies for which there is unused funding will be included in this report at the conclusion of the study.
- Local projects will be "self-reported" by the local jurisdiction to WSDOT's Local Programs Office and will be compared to the most recent available project cost estimate.

Implementing Practical Solutions throughout WSDOT

Practical solutions strategies (which included practical design) are applied throughout the project development and delivery process. Where practical solution refinements are identified in the process will determine if savings are the result of cost avoidance (i.e. an

initial lower project estimate to be funded than otherwise anticipated) or a reduction to a project budget (i.e. project savings that occurred after the initial project estimate was funded). Practical design applications begin during the scoping and pre-design stage of project development. During this stage, agency pre-design efforts are funded from non-project resources rather than from a specific project budget. Practical design savings through cost avoidance are removed from the project estimate prior to establishing the initial project budget. After the initial project budget is established and design begins on that project, practical design can result in reduced costs to deliver the project. Assuming no inflationary increases on the project over its delivery schedule, and assuming no unforeseen project challenges, the reduced delivery cost should result in project savings. It is important to recognize that greater savings are often generated through practical solution and practical design efforts during the earlier stages of project development, prior to the project receiving funding. This concept has been documented, in part, in the 2010 JLARC report on WSDOT scoping and cost estimating for highway construction projects. As WSDOT continues to refine its approach to implementing practical solutions and practical design, we expect to observe a diminishing level of savings. This is due to future projects being developed from their inception utilizing these principles. In other words, we will not have potentially over-designed projects to compare to those projects that were developed using practical design. This will result in fewer savings being available over time from funded projects.