

WBS CR.2, 110.106.107



DAVID EVANS  
AND ASSOCIATES INC.

RECEIVED

AUG 15 2005

Columbia River Crossing

KS  
MT

August 15, 2005

Doug Ficco  
Columbia River Crossing Project Co-Director  
Washington State Department of Transportation  
P.O. Box 1709  
Vancouver, WA 98668-1709

**Subject: Professional Services Consultant Agreement Number Y-9245**

Dear Doug:

During our contract negotiations in April of this year, David Evans and Associates, Inc. (DEA) raised a concern about the professional liability insurance requirements noted in Section XIII of the Agreement. As you recall, it states that "The Consultant's professional liability to the STATE shall be limited to the accumulative amount of the authorized task order(s) or one million dollars (\$1,000,000) whichever is the greater." We noted that the Agreement carries the potential for authorization for up to \$50,000,000, which far exceeds the limits of our insurance.

At that time we requested a change in the contract language that would either 1) amend the contract requirements to fall within our insurance coverage, or 2) amend the contract to stipulate that WSDOT would treat the cost for DEA to acquire additional insurance as a reimbursable project expense. After some discussion, it was clear that it would take some time to reach a solution that would be satisfactory to both parties. Because both parties (WSDOT and DEA) were anxious to get started, and given that the initial task orders would not exceed our insurance limits, we agreed to sign the contract with the proviso that a mutually agreeable solution would be adopted before the aggregate sum of task orders exceeded our insurance limits.

We are now approaching the point where the aggregate of the authorized task orders will exceed our insurance coverage. The professional liability insurance that DEA carries is \$10,000,000 single occurrence, \$15,000,000 in aggregate for any project. It is very likely that the next planned task order (AC) will bring the total contract authorization above \$15,000,000. We need to resolve the insurance issue before that task order is executed, which is scheduled for mid-September.

Our preference would be to amend the contract to have a fixed amount identified for professional liability coverage throughout the duration of the contract. Since this contract is dedicated to the delivery of an environmental impact statement, and will not produce construction documents, we believe that WSDOT would be appropriately protected by professional liability insurance requirements that would fall within our current coverage. For example, the contract language could

Doug Ficco, Project Co-Director  
August 15, 2005  
Page 2

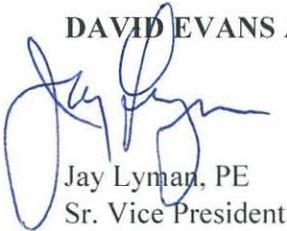


be changed to read: "The Consultant's professional liability to the STATE shall be limited to an aggregate of \$15,000,000 for the duration of this contract." Such coverage would not result in additional costs to the project.

It is critical to the project schedule for this issue to be resolved in the next few weeks. I recommend that in the next few days, you and I meet with the appropriate WSDOT staff and DEA's risk management staff to develop a workable solution.

Yours sincerely,

**DAVID EVANS AND ASSOCIATES, INC.**



Jay Lyman, PE  
Sr. Vice President

c: Kris Strickler, WSDOT  
George Humphrey, WSDOT  
Erin Austin, DEA  
Ron Anderson, DEA