



November 3, 2025

Letter No. 266
BY-CRE-03885

Evelyn Pao, P.E., Project Director
Washington State Department of Transportation
18911 N Creek Pkwy S, Suite 150
Bothell, WA 98011

Contract No.: 9727

Project: I-405, Brickyard to SR 527 Improvement Project

Subject: Notice of Protest - House Bill 2081 – Business and Occupation Tax

Dear Ms. Pao:

Skanska has received the following WSDOT written determination per WSDOT SL No. 9727-181 dated October 20, 2025:

WSDOT is in receipt of Skanska serial letter No. 248 (Skanska SL-248), regarding Washington State House Bill 2081, which will become effective on January 1, 2026, and the request for additional compensation in accordance with General Provisions Section 1-07.1(5).2 – Taxes. RFP Section 1-07.1(5).2 Taxes, stated below, explicitly establishes three conditions under which WSDOT will adjust payment to compensate for tax changes...The recently enacted B&O tax changes under HB-2081 increase taxes on business revenue but do not apply directly to materials or fuel used in or consumed for the Project. It does not meet the first of the three conditions required for compensation. Because this tax change does not meet all three conditions required for compensation, Skanska's request for an equitable adjustment is denied.

Skanska believes WSDOT's interpretation is incorrect or unreasonable. Skanska respectfully disagrees with WSDOT's interpretation of the specification. This signed written notice of protest of the Engineer's Written Determination is provided in accordance with General Provisions section 1-04.5. Skanska will supplement the written protest within 14 Calendar Days in accordance with General Provisions 1-04.5.

If you have any questions or concerns, please feel free to contact me.

SKANSKA

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Prendergast', with a long horizontal flourish extending to the right.

Patrick Prendergast, Project Executive

Skanska USA Civil
18911 N Creek Pkwy S, Suite 300
Bothell, WA 98011