Welcome to Move the Era Podcast, I'm you're host Jeanne Acutanza. Join me for an interview with Steve Gorcester about the role of performance measures and monitoring in transportation. Steve owns Performance Plane, LLC, helping local agencies apply industry LEAN principles to improving transportation systems. For over 15 years before that, Steve directed the Washington State Transportation Improvement Board granting small agencies funding for infrastructure. His drive for always improving how we deliver transportation projects led to the development of his award-winning dashboards that give elected officials and the public greater confidence that the money is well spent.

JEANNE: My guest today is Steve Gorcester. So, Steve you were one of the first people I met when I moved here and so we work together and we are also good friends and I have to get this straight, you pronounce your last name "GOR-SESTER".

STEVE: That's right.

JEANNE: So many people drive me crazy because they don't pronounce it correctly, but your last name is pronounced "GOR-SESTER". You have a history of working for counties and a role as a small agency funder. Tell me a little bit about Performance Plane and LEAN.

STEVE: Well, thank you. During my years at the Washington State Transportation Improvement Board, I was able to take a lot of great training into the Toyota production system and my training came straight from Toyota and former Toyota trainers so they were really steeped in industrial theory and operational improvement and I was trying to fix a pretty big operational problem at TIB that I inherited, so LEAN became a method of doing that, and my training in LEAN allowed us at TIB to apply the theories of the Toyota production system for about the next 14-15 years and it really made a huge difference. It put us in a position of long-term strength and the TIB program is basically a big bank for local government infrastructure and served all of the cities and all of the counties, the urban counties, in the state of Washington with grants for transportation improvements – streets, transit, sidewalks and also street maintenance.

JEANNE: I remember you guys working hard behind the scenes to move projects forward when you were at King County and also Pierce County. It gained you credibility on both sides of the aisle and across the state, so I see transportation infrastructure as something people should really be able to agree on.

STEVE: Oh, certainly, I mean transportation infrastructure is one of the principal delivery channels of public works, and the infrastructure that gets built gets used tremendously, even in small places, is a lesson that I learned in the TIB years, and the infrastructure that we build is one of the best places for return on investment of any of the money we spend in government.

JEANNE: That's great…it could always be improved but that's a great assessment. You took over TIB 20 years ago now, and some may not understand an agency like TIB that provides infrastructure funding. Where does the money come from?

STEVE: The money comes from a dedicated revenue stream, most of which comes from the state gas tax, so TIB gets about $0.03 of the state gas tax and over the years we got additional infusions of funds from different places, but it ends up being between about $100M and $120M a year, so that's a pretty big grant program, although there are 281 cities and 39 counties so it's also a pretty big group of customers. The program exists…it's a little bit of a singular animal in that other states don't necessarily have the same type of thing. A lot of state DOT's have grants, even grants for local governments, but it's usually not a freestanding agency like TIB was its own independent agency and it exists largely because the Senate chairperson at the time, the program was created in 1980, saw some inequities in the way that transportation resources were distributed. The way that the money collected from the gas tax was going out, most of it went out to the top 10 largest agencies, and then the smaller agencies would see decreasing amounts of it depending on population. So, a lot of very small towns in the state of Washington received very small amounts of money, nowhere near enough to maintain or improve their street systems, which in a lot of cases was the most expensive collection of infrastructure they had. So, the chairman of the Senate Transportation Committee at the time created the program to promote equity and was, frankly, quite ahead of her time, and that was Senator Maria Cantwell, as a state senator, who was the Chair of Transportation at the time and now, of course, she's the Chair of Transportation Committee or

Commerce, Science and Transportation Committee in the US Congress, so I'm sure she's doing many of the same things. I think she was concerned about equity early on and she was right to be because small communities in eastern Washington are very, very numerous. We had 165 small towns when I took the TIB program over and many of them are nearly 100% social equity populations – often low-income, often high-elderly, and in some cases 80, 85, 90% people of color. So, the fact that their infrastructure was falling behind was systemic and Senator Cantwell wanted to change the way those decisions got made to make them more performance based.

JEANNE: People might not understand about Washington State, we have a very urban western portion of the state and then we have a very rural portion that is most of eastern Washington east of the mountains. I remember your opening salvo to the local cities and towns that you provide grants for when you took the job was to make a statement that the agency was going to be the last brick – do you remember that?

STEVE: Right, right, so we were making a lot of first in grants – grants where there wasn't enough money to build the project, but the TIB money was sitting around there waiting for the rest of the money to come in. And what we ended up doing was actually not strictly last-in. What we ended up doing was more of a sensitivity test, an analysis of whether the project was likely to achieve full funding, which is what you want to project to do. A partially funded transportation project can't do anything. So, what we wanted to do was make investments that were whole, or produced something whole. So, we learned a lot about how to spot projects that were high risk and to make investments that were more likely to achieve full funding and therefore use the grant money more successfully. We did a huge amount of analysis into our historical body of work which was already over 3000 projects when we did the analysis and what it showed was that there are certain things that prevent projects from going forward to construction and they are almost always either will, or full funding. Will being the change in the desire or the commitment of the agency to push the project to construction, like for example a new mayor came in and didn't want to build the project, that is a change in will. And then full funding, of course, is the ability to put together the building blocks that get you to 100% so that you can actually award a project for construction. Everything else was small potatoes. You know, people think it's environmental rules that prevent projects from going forward and what we found was that environmental rules may have taken more time, maybe could add 2 years to a project in some cases where there's a lot to do, but the projects that failed almost invariably failed because they couldn't achieve full funding, or the agency had just changed its mind.

JEANNE: And I admired that about you, getting those local agencies to work together or build those local agreements, making sure that the governance piece was aligned and ready for the kind of investment I was always admirable about that and I think that the governance piece is a challenge, especially when all of us recognize that, like you said, a mayor will change, or council people will change.

STEVE: Right, and we sort of pioneered the use of carrot not stick. It's really common for additional rules to get made but my philosophy is if you can use incentive instead of a regulation it's always more powerful. You can actually use the money that you're giving as a grant to promote positive behavior, I'd always rather do that than slap a rule on that causes the agency to lose the money. So, we did things like, we had performance horizons, and when you reached the performance horizon the timeframe that you would expect the money to be used, and you weren't there, we didn't take the money away immediately. What we would do is we would tighten up our problem solving and work to get that money in the ground. You know, kind of increase the incentive for focus to be placed on getting the project up to construction, and it worked beautifully. When I got to TIB there were 80 projects that had been delayed for about 11 or 12 years, and that was creating a huge amount of financial risk for the grantor, including a lot of money that got spent on design and hadn't ever been used to build the project. So, we wanted to kind of solve that problem, and we did that by creating a new policy about how we use increases in the grant to incentivize performance instead of reward delay, and also just really advanced tracking of what was going on with the project which we ended up in 2003 building into one of the first online performance dashboards that we found in government. It was an idea that came out of Harvard Business Review from private companies, and we implemented it in government, we turned it public facing, it won multiple national awards, and it also solved the problems that we were trying to solve. Maybe not every one of them, but delayed projects at TIB went from about 100 in the inventory at any given time to like 1 or 2, or maybe 3. So, it basically just slayed the problem, shortened up the performance horizon for building the projects that got grant funds,

which made them all, of course, cheaper, and put them into use sooner. A lot of that was done with performance management and performance thinking around the LEAN concept of insuring that your practices perform to purpose, right? Your procedures should produce the outcome that you intended to produce.

JEANNE: No surprises that legislators across the state are big fans of yours, and you mention the performance monitoring and I became of your dashboards and you showed and demonstrated them to me a number of times. The first time I saw Pete Buttigieg speak 2 years ago, he talked about instituting those kinds of dashboards in South Bend, relating, in his case, to enforcement. Tell me about what you developed and how it was received.

STEVE: So right away, when I got to TIB, I found out on the fourth day that we were about 3 months in arears in payments and we ended the biennium about $35M in the red, and we were paying out about $10M a month. So, there had been too many grants awarded and they couldn't cover them all. And, they didn't track them very well, so the problem was sort of sneaking up on them in the bank account instead of in the actual procedures of the agency to track those kinds of risks. So, I started asking for performance information in order to drive a recovery to make sure that we kept paying agencies and that we didn't stop projects right when they were about to be successful, which is when they're awarded for construction. And that performance data ended up going online as our first dashboard a couple of years later. About 2 years into our performance journey, we were putting up really nice graphical representations of our data and we were mining the information in our project database. So, the engineers did their work in the project database and the dashboard scraped that information from the database so that it would be displayed in real time. So, you make a change in a project, like you send it to construction in the database, the dashboard will see that it's now under construction. And vice versa, it will see that it's not under construction and start to warn you if it's not under construction within a certain timeframe. So, that dashboard since has gone through 15-16 years of evolution. We had built the fourth-generation version when I left the agency in 2016, and they've now built the fifth-generation version since I left the agency that's even better. And again, initially, when it was turned public facing, it was one of the first online dashboards that we could see for a government agency, particularly with that kind of depth. It had 85 web pages of dashboard information, a lot of which was interactively accessible, so that the online viewer could actually manipulate the data, and that turned out to be pretty unusual. There were some other agencies in the country, especially later on in our journey, that were doing some really good work too, but we were early and there are host of magazine articles and interviews from that timeframe, and back in 2007 I had done 180 presentations on the dashboard, all over the U.S. and Canada so it became almost like a sideline activity for me. Some may have even thought it was my main activity.

JEANNE: Well, and I think one of the things that was really great about that is I remember you showing me report card style where projects were falling behind and I think for you, and for legislators that were tracking it, they could tell where projects might need some help, or might need some attention. I know it was very well received and I will put a link to TIB's dashboard in the show notes as well as some of the articles and speaking presentations that you mention. How about credibility with legislators. I remember numerous times people wanted to dip into the funding that TIB was getting and reapportion it. But I know that you were so popular in getting this money out to local agencies.

STEVE: Right, so when I first took the agency over, the Chair of the Senate Transportation Committee didn't really want to talk to me. She was already really frustrated with the agency, she knew that it wasn't functioning well, she was getting complaints from constituents and mayors in her district, and she wanted accountability. So, I told her that that was all going to change and that she would change her mind. She was sure that she wouldn't, but she did. So, she became one of our primary supporters, and, of course, being the Chair of the Transportation Committee, that's the primary source of what will be in and not be in the transportation budget. So, we were able to use the performance of my presentations became dashboard presentations before the legislative Transportation Committee. I was actually showing them the good news and the bad news in our performance results. I had no idea how that would turn out. I know we had conversations among the staff that it was very risky, that people would use the bad information against us. I rarely ever saw that happen. It was almost always strictly positive. In particular, one of the things that we discovered was that critics, who were concerned about our ability to run our program, were more interested in us knowing the numbers than in them knowing the numbers. So, when they felt like we knew what our performance results were and

could articulate what we were trying to accomplish, that was extremely positive. The communications value of the dashboard I had not even thought about. The purpose for developing it was never to impress the legislature and get them to give us more money, but that happened, and that's because it outperformed its communication value many, many times over again and became kind of a cornerstone of the program receiving new infusions of investment and new programs. When the legislature wanted to create a Complete Streets program, they gave that program to us. We created it in a completely different way than any other state has done it and it's been extremely popular. When I decided that it wasn't right for small, poor communities to be left out of streetlight modernization, the legislator readily gave us money to tackle that, we tackled it in a completely different way, again, then any other agency that I have heard of changing out streetlights in the country. I ended up speaking nationally about that program as well.

JEANNE: I want to talk about both of those programs. They really are so innovative. I want to talk first about the paving. Can you talk a little about that, the small city paving? And then I want to talk about ReLight.

STEVE: Right. So, we always had a paving problem. It goes back for a couple of…30 years probably. But, when I came to the agency it was giving out $50,000 grants. And that's all it knew was that grants were being awarded. It didn't know what the condition of the pavement was or what we were trying to make the pavement condition be. So, we gave out $50,000 out, if the project was $150,000, what does that mean happened? I think people thought that the agency would come up with another $100,000 but when we went and looked, we found that they have paved one third of the project and literally stopped in the mid-block. Well, that is a horrible situation from an economic standpoint because asphalt is very price-elastic. So, if you buy small quantities of it, and haul it long distances, it costs you a lot more per ton. And, so, we immediately wanted to drive the cost per ton down. We knew we were dealing with the most inefficient part of the business – small towns. Small towns, small street systems, small quantities, remote locations, all bad news from a cost profile perspective. But, we ended up doing basically everything we could legally do to drive down unit cost and ended up negotiating an agreement with our state Department of Transportation to allow them to pave small city streets when they were paving the state highway through the same town, and they got 40% lower prices for asphalt. Plus, I didn't anticipate this, but the construction managers from WashDOT were fantastic! They did great work for us! They gave construction management services to small communities that they couldn't have received themselves, they just had never paid anything, right? So, now so you have a construction manager who actually knew what they were doing. I was in a small town when WashDOT was paving one of our facilities and the construction manager was walking an elderly woman through the construction site to her porch – that's the kind of service those people were giving. It was really fantastic! So that worked out really well.

JEANNE: And I just wanted to stop you right there just to confirm that WashDOT is the Washington Department of Transportation and they are the largest transportation organization in the state.

STEVE: Yes, and their state highway pavers are using between 5 and 20 times as much quantity of asphalt at a time that a small city project would use. So, tagging on 5000 tons of asphalt onto a WashDOT 200,000-ton project was just really great economy of scale. And economy of scale or leveraging scale economies became a watch word for that whole initiative. The poster child for that initiative is the town of Mattawa. The town of Mattawa, when we collected all of the pavement data and put it in the dashboard, had the lowest pavement condition in the state. And I started to take a personal interest and one of the things I found was that the pavement was so deteriorated that I could break it up with a shovel. And, Mattawa is 85% people of color, it is low income, it has social inequity demographic profiles all over the place, and those reasons relate directly to why it didn't have sustainably maintained streets. They couldn't have done it. They couldn't have afforded to. And nothing we were doing as a grantor was ever going to put it right because we were just working too slowly to restore a street system of that scale. It's a town of about 5000 population and it's a critical agricultural town in one of our most agricultural counties and it's the center for one of the largest counties in the state. The whole south end of the county goes to school there and that's where the grocery store is for hundreds of square miles. So, we started to use it as a creative solutions laboratory. We actually went to the city and said, "Hey, I want to try sustainable paving practices here. I want to try new things and I am going to leave you with paved streets." And they were like, "Do whatever you'd like as long you're going to leave us with paved streets!". So, we did. We started a pavement recycling laboratory, we used different techniques on multiple streets, we worked to reduce overspray into

the ditches, we basically tried out a whole bunch of different things. And the pavement condition in Mattawa today went from 33 on the pavement condition scale to about 73, which meets the performance target of 70 for the average pavement condition in small towns and the work is still being done.

JEANNE: And pavement conditions – just a snippet about that, once a pavement breaks up it's - you probably have a good analogy for this – but once you blow the tire its done, but if you keep patching it or rotate your tires, which is good pavement management, it will last a whole heck of a lot longer. Do you have a good analogy, Steve?

STEVE: I can give you kind of some targets. So, 70 on the pavement condition scale, lets call it about a third deteriorated. 70 is the point at which the cost of maintenance starts to rise as you go below it. It's much cheaper to maintain a street over its life cycle if it's pavement condition rating stays above 70. So, you can use much less expensive treatments to extend the life even further and you don't have to rehabilitate the base as long as you maintain it's condition to a good or excellent state of repair. Once you drop below 70 costs go up. You have to do more work and once you drop below about 50 costs start to escalate much more rapidly. And you get into a state of deterioration where now you also have to do something to repair the base, and that's very close to just building a completely new street which is going to around 10 times more expensive than having just paved it. And Mattawa had streets that were down around 15 on the pavement condition scale. So, their total losses – we consider that a total loss – and instead of building new streets in all those cases, we used very high-clipped street recycle-based stabilization methods where we did concrete treated basses or we would sift concrete into the base and then just spray it with water, so it wasn't a concrete base it was just soil cement and the street condition in town is just so much better than it used to be. And the town needs that, right? The kids need to be able to get to school. If the town is dilapidated, then their property values are lower. Those are the types of things that make social equity issues systemic, right? Shen you're not doing anything about those problems and those problems are bringing the social situation and the economic situation of the community down that's what makes it systemic.

JEANNE: I remember working in Los Angeles in South Central and the county supervisor always invested his community development grants into street improvements - sidewalks and repaving and things like that and we would always go back a year or two later after our little projects were done and always noticed that the houses always looked better. They…people are more attentive to their yards and it was a much more walkable community, so you were ahead of your time. And you didn't just do Mattawa…

STEVE: It was hundreds of places. We ended up having around 40 paving projects a summer in all the different towns of the state. The overall condition of the small city street system improved so much over a 10-year period that I believe, and I did a little bit of poking around of what was happening in neighboring states, I think we have the best maintained small city street city in the country. And that's 165 towns, so collectively they're a very substantial amount of infrastructure. They look small potatoes when you look at them one by one, they cost the people of the state collectively less if you can reduce the cost of maintaining that street system and put things right. I had a project once in a town where we rebuilt the street, built sidewalks, put in new street lighting…a really beautiful project. The manager of the grocery store told me that the store decided to remain open because what they saw as a new day, that maybe things would brighten up. Well, economic development may be small potatoes in a town of 1100 people but keeping the grocery store open is economic development for those folks.

JEANNE: For all the jobs that came with that…

STEVE: Well, and just the access because there's no other grocery stores in the town so you're now going 40 miles away to the next town big enough to find a grocery store. So, that's what we saw was very fragile economies that were maintained and sometimes even restored by infrastructure projects.

JEANNE: That's the beauty and the value of infrastructure. Tell me about Relight.

STEVE: Well, Relight Washington was one of my programs that we had the luxury of being able to create from scratch. And it was born out of a conversation I had with a small-town city administrator who told me that they were spending about 50% of the money they received for street maintenance every year just to power their streetlights. That was just

their streetlight bill. And at the time, I knew that bigger cities like Seattle and Portland and Bellevue and Vancouver were changing out their streetlights to LED because the operating cost was so much lower. We ended up doing quite a but of research into that and we found out we were a little bit early on the uptake because a lot of that technology was still experimental. But I formed a relationship with the Bonneville Power Administration and the Pacific NW Labs and we worked to find that sweet spot where the technology had finally arrived and then I realized that small cities were not able to access that technology because they couldn't come up with the initial capital. And in a lot of places people were using performance contracts where a streetlight supplier would come in and spend its own money to change the streetlights and then charge the agency over 20 years to get the money back plus profit. And we found that small agencies weren't doing that either because of the risk associated with taking on that obligation. At the same time, they needed the savings the most. The places that needed the savings were not able to access it. And part of what was going on is that people were thinking about it as saving electricity. And if you're trying to save electricity you're not going to go to a small town and like Quincy and change out 200 streetlights. You're going to change out 60,000 streetlights instead. But we started to look at it as saving money instead. Saving the energy being the gravy. We wanted to save the local agency money out of their budget and put it back in their budget so they could fill potholes with it or seal up their streets so they could use the street money for what it was meant for. We found that there were a lot of problems with the way that streetlights were being changed out previously, the state was offering grants. But none of the small agencies were accessing those grants because they couldn't do the technical work to determine the value. They weren't aware of the value. And then when I got into the business, I immediately found that it's really the power company that has to do this work with because they own the streetlights in many cases. Sometimes, but only rarely, did the town own the streetlight. And we found a town where the streetlights were just owned by some guy in town. So we found that you have to work with the owner and fortunately we had some owners like Puget Sound Energy who immediately told me, "You're right, if you can figure out how to get the capital we will change them for you and give the town a lower price permanently." So, I pitched that program to the legislature, got funding for it immediately and they told me go and do it. We negotiated a contract in the first year with Puget Sound Energy. It took longer in eastern Washington. Avista Utilities, which is the largest utility in eastern Washington and northern Idaho, finally agreed to change all of the streetlights in all of the small towns in their service area. And they were giving discounts of 15-40% on the operating cost. And for small towns they are saving $5000-$50,000 – some of the bigger towns that were eligible were saving $150,000-$200,000 a year in streetlight operating costs and that program rapidly accelerated the change of streetlights in small communities. I think it's done about 200 towns now. In other places where they are using performance contracts or they are telling the agency they've got to come up with the money themselves, they're just not accessing the savings quickly, where we access the savings quickly. Our return on investment was about 4 and a half years. So, I started that in 2015 and it's already returning on investment and that money is some of the best money to save because it's money that did not need to be spent. If you could modernize, you don't need to spend it. So, saving it is just extra satisfying.

JEANNE: Like you said, it's kind of gravy and Steve you'd done this with everything. I remember 10 years ago you started to incorporate climate and safety and economic development into your grant criteria and encouraging agencies to do the good work.

STEVE: There was a speaker who came to Washington from Colorado and spoke at an ITE special event that I attended.

JEANNE: Wait, and ITE is the Institute of Transportation Engineers…

STEVE: Of which you are the state president. The speaker came from Colorado and gave a pitch about sustainable design. And I was already thinking that way but this really good presentation and one of the things he said was, "So what can you do in your own agency just to make whatever steps forward you can?". And immediately I realized that very few people were in the position I was in – managing the money, serving 280 cities, expecting that money to buy a bit if cooperation. The money actually when you spend money you can buy cooperation. Right? It's one of the things you get is the power to buy…

JEANNE: That's a big carrot we're talking about.

STEVE: Yeah, that's right. One of the things you get having that power you can buy cooperation. So, we set out and then 2008 we reengineered the program so that sustainable design got selection points in our project selection process. I really didn't know what to expect. I didn't know if my customer were going to come unglued or what, but for the most part, they told me, "It's about time somebody did this." And so, starting with the 2008 program if you did not think about sustainable design – and remember, carrot approach – so, we wanted people to think about how they could make their project better form the standpoint of humans, the environment, the quality of the system of itself, the quality of the streetscape, all of those things. And if they could come up with great ideas about how to make the project better and provide better infrastructure with lower environmental impact, that it would get more money because of it. And that ended up happening. A lot of what we did back then has become standard. We were incentivizing low impact drainage while low impact drainage became the standard. So, we kept having to turn the dial a little bit. But that's good because the whole concept was aspirational anyway. So, if you have to tighten up the aspiration because people are just achieving it so well, that's not a bad thing.

JEANNE: That's amazing! I always wondered. No legislator said, "Steve, go do this." and set out these parameters. A lot of this you invented, and I remember you just coming in, like someone said, "Do better." and you chose to do that. So, what drives you to improve programs like that?

STEVE: Well, my teacher who was at one time the youngest assembly line supervisor on the Toyota Kentucky line and was a plant line supervisor at 23, and a woman, in a man's industry, she taught me a lot about this. She would say, "LEAN is not a thing we did, it's our JOB, it's just our job" and that's how I looked at it as, making things better IS what we are supposed to do. It's actually what we're trying to do. It's why our program exists. And one of the things that people have to understand about LEAN, for example, is that Toyota did a lot of what they did for profit motive and government doesn't have that profit motive. But value is public sector profit, so if you can produce greater public value you are doing the same thing as creating profit. So that's what I was driven by and I had a burning platform – my program would have gone out of business. It was in bad financial condition and the legislature wouldn't invest in us. So, we had to turn both of those things around, and it created an environment with the dashboard and with the programs that were so successful where it was fun to do. And people wanted to be successful. Right? My staff wanted to be successful. It was pretty grim going out of business, legislature wanting to put you out of business was pretty grim. But when we started to win, it becomes infectious.

JEANNE: Success breeds success. And everybody loves a ribbon cutting.

STEVE: Well, and actually that became a mantra. Previously, the grant program had been driven on the theory that giving the grant was the moment of success. That when we issued the grant, we had completed our work and then it was the local agency's issue to build the project. But if the money didn't get used to build the project because it just got spent on design that never went to construction, which happened way too much in the past, then you weren't accomplishing anything except the disposal of the people's money.

JEANNE: It's kind of like an analogy making sure we not just getting the project…getting them built and on the ground, but also, kind of like vaccines. It's one thing to say you've purchased all these vaccines, it's quite another to make sure they get into people's arms.

STEVE: Yeah absolutely, I mean that requires some thought about what success means. And I created an environment in my agency where success meant cutting a ribbon. It wasn't the event, right? Cutting the ribbon was the surrogate for the job well done, the project is finished and it's now in use. And that changed everything, it changed everything about what my engineer project managers thought they were supposed to accomplish, and it changed what they paid attention to and how they viewed risk. We created a whole risk management loss prevention scheme that was built into the dashboard that really solved a lot of problems that would have become losses of the people's money

JEANNE: And I hear you've changed the vernacular too in the public sector, in governance, I think of you as one of the best government officials I've ever worked with but changing the vernacular to being that these are customers, people

don't think of it that way that the public is your customer, the cities are your customers. There are 39 counties and 281 cities, how many of them did you visit?

STEVE: Oh, I've been everywhere. I've been in every town and many of the towns in the small-town family, 166 at the time I was there, and probably have been to most of them something on the order of 10 times. The medium and big cities I've been to hundreds of times. So, you know I spend a lot of time on the road. You know I realized when I first got to TIB that I had come from urban counties, that had been my whole career. Well, I started out in consulting but then I went to urban counties and I spent 15 years with two different counties, including being the manager of transportation in Pierce County which is what I was doing when you and I met. It gave me a very urban, western Washington perspective. And I counteracted that with a lot of hands-on, boots on the ground travel, where I was in eastern Washington for the week speaking to agencies and they're speaking to the director. The former director did that too, he was out a lot also. It's just kind of the TIB way to serve the customer in a very hands-on way. And that's kind of what I mean by not taking a regulatory perspective but taking a service perspective. Service and operational excellence, service being a counter measure to make sure that my urban knowledge didn't outweigh the small city experience in eastern Washington and then the travel was a lot about just knowing what needed to be done, having a sense of what needed to be done. Like, I thought of negotiating a contract with WashDOT to task order their paving project for my small city project while I was sitting behind a WashDOT paving train in one of my towns in eastern Washington. Wouldn't that be cool if all of this economy of scale could just be turned down this main street?

JEANNE: I remember you saying that the paving machine shouldn't stop at the city boundary and that if you could get a good price for asphalt you could keep paving and bring up all these city's pavement quality.

STEVE: Well, and now we know that that worked. Back then it was a lot of theory and we did testing, which is what we would have you do – have you create a theory, test it to see what works, and then implement the things that work.

JEANNE: And you built that confidence into our government processes with your dashboard. I think I remember hearing you hearing when one of the legislators saw one of these dashboards, they also had confidence that the investments for getting into the ground and the money was being used wisely. Where can we learn more about LEAN? We can add it to the show notes. And then tell us about Performance Plane.

STEVE: So, Performance Plane is my single shingle business where I help public works agencies improve their processes. I also use my competitive knowledge about grants to help agencies run more competitive grant initiatives. And sometimes I even help them secure those grants. Performance Plane, the name, comes from a graphic I developed that shows the whole mechanic of process improvement against government processes. So, the performance plane is actually a picture that I made, and I use that name today. It's rooted in my LEAN training. LEAN, you can do a lot of research about LEAN just online, but the LEAN Enterprise Institute was the source of a lot of my direct training and my teacher's book, the Toyota Engagement Equation, which is not surprisingly right here on my desk, by Tracy and Ernie Richardson. It's a good place to read the Toyota experience because the whole first part of it is just about Tracy's life of walking into the plant as an 18-year-old with a shiny new job and learning LEAN from non-English speaking trainers that came from Japan to teach these theories to a new era and a new breed of operator. I don't know many of the other people that went through that experience, but I can't imagine that that many of them were as changed by it as Tracy Richardson. And when I first went to my first class about LEAN she happened to be my instructor. I was the only government person at the entire event, and she could not really tell me directly how to apply it in government, I had to learn that for myself, but the kernels of how that happened, happened there at that first class. The things that she taught there kept working on my mind for weeks after the class. When I finally realized that our processes in our government agency had not had the benefit of design, they had pretty much been stood up and just started operating one day, often because money was put on the table, which is all input-based thinking. If you put money on the table and you start spending the money all on the same day, you're diving an input-based thought process and what we wanted was an outcome-based thought process where we worked it to the goal that we wanted to achieve. We wanted every small town in the state to have a pavement condition above 70 PCR so the cost of keeping it there went down. That had never been thought o before, it was always a check I'd sent out, and nobody knew what we were trying to accomplish

exactly except get the check out, or how best to accomplish it, or even where we were at the time. We didn't know what the current state's condition was. So, Tracy's lessons changed the way that I work profoundly, and I try to help government agencies integrate some of those processes into public works now.

JEANNE: Yeah, and you've always been that guy that cares so much about implementation and all for the good. I'm going to put on the show notes some of these resources like Tracy's book and how to get in touch with you. What's next for Steve besides travel?

STEVE: Vaccine is what's next for Steve. I'm hoping to be pretty soon in line. We had the incredible luxury of spending the last fall in Italy and came back from Italy…

JEANNE: You mean last fall 2019? A hundred years ago….

STEVE: Yes, fall of 2019, and we came back in November and lockdown in February. So, all that time we had Italy to mollify our lust for travel but it's wearing off. We need to go somewhere!

JEANNE: You need another dose!

STEVE: Yes! We just had the most wonderful trip, and we are looking forward to getting back on the road. And of course, I'm practicing, I have projects all over my desk right here, so I hope to keep doing that for a while too.

JEANNE: Well, you inspire me. I want to thank you and hope you come back again. I'd love to talk to you again about SR-99 and pick that apart, that would be a great project! Thanks so much for joining us on Move the Era and I'll look forward to talking to you again soon. Thanks, Steve.

STEVE: Thank you, I really appreciate you interviewing me.

OUTTRO: Thanks so much for listening today. We hope you enjoyed this episode and if you did, please be sure to subscribe so you'll be notified when our next episode becomes available.