



**American Road
& Transportation
Builders Association**

ARTBA Engineering Issues Luncheon

State Department of Transportation Updates

2018 WASHTO Conference

Rapid City, SD

June 11, 2018

Alaska Department of Transportation

The department's estimates on financial investment in transportation construction:

In 2018, we will have over \$900 million in construction contracts on the street. Some details:

- 90 percent of that is federal dollars.
- We have 123 projects across the state.
- There are projects in 54 communities this season.
- Of the \$900 million, \$271 million is aviation.

Planning and design contracts and resident engineer construction inspection services you will be advertising over the next 24 months:

	CR	NR	SR	Total
Planning:	8, \$4,000,000	5, \$2,000,000	0, \$0	13, \$6,000,000
Design:	25, \$40,000,000	33, \$20,000,000	6, \$6,000,000	64, \$66,000,000
Const Admin:	25, \$40,000,000	2, \$3,000,000	15, \$20,000,000	42, \$63,000,000
Total:	58, \$84,000,000	40, \$25,000,000	21, \$26,000,000	119, \$135,000,000

Your state's current position regarding design-build and public-private partnerships for transportation projects:

Alaska Department of Transportation and Public Facilities (DOT&PF) uses Design-Build (DB) on select projects and continues to evaluate and consider Public Private Partnerships (P3s) for the development of Alaska's future transportation improvement projects.

DOT&PF considers DB as a tool in our project development tool box. While not all projects are appropriate candidates, we've selected and delivered projects where project delivery schedule and economics warrant accepting some reduced level of control. NEPA process, right of way acquisition, and environmental permitting are critical issues affecting which projects we select for DB. When these

constraints are manageable, DOT&PF considers DB in order to manage schedule and budget. Where we routinely use DB or some variant (including Construction Manager/General Contractor) for DOT&PF vertical and marine vessel construction, our application for horizontal construction is not as frequent, primarily due to Alaska's limited construction season and substantial environmental constraints. In the past five years DOT&PF has delivered 3 DB projects for approximately \$66 million in contract costs.

DOT&PF considers P3 as a tool for bringing creativity, efficiency, and funding options to address complex transportation project delivery conditions. Other departments within the State of Alaska have used P3 for project delivery, but DOT&PF has not yet delivered a project using P3.

Colorado Department of Transportation

The department's estimates on financial investment in transportation construction:

- Transportation construction investment has varied with changes in revenue sources over the past several years, ranging from approximately \$450 million in construction contractor payments in FY 2010 to a peak of nearly \$740 million in FY 2017. For FY 2018, the construction program is estimated to total approximately \$610 million. This excludes maintenance, or any funding passed through to locals for project delivery.
- The variation over the last several years has been driven by revenue changes, which include the following:
 - The "RAMP" Program, which provided a one-time influx of transportation funding totaling more than \$1 billion dollars over five years, the result of a transition to cash management and expenditure-based funding of projects.
 - A 2013 flood event that resulted in \$700 M flood recovery program delivered between FY 2014 and FY 2019.
 - General Fund transfers from SB 228 totaling roughly \$340 million.
- CDOT's typical "base" construction program (no pass through, no General Fund Transfers, financing, etc.) is approximately \$400 million - \$50 million BE (excluding C-70) and \$350 million CDOT.
- Recent SB-1 approval provides approximately \$400 million of General Fund Transfer to CDOT for transportation projects for the Fiscal Year starting July 2018.
- A potential ballot initiative this November could provide approximately \$6B of additional funds for transportation.

Planning and design contracts and resident engineer construction inspection services you will be advertising over the next 24 months:

Based upon our projected program base and one time general fund transfers about \$100 to \$150M of design and construction oversight will be advertised in the next 2 years. However, a ballot initiative this November could more than double that need.

Your state's current position regarding design-build and public-private partnerships for transportation projects:

Colorado believes public private partnerships (P3) are an important tool in the toolbox. While certainly not right for every project, for the right projects, the P3 delivery model can accelerate project delivery and transfer the management of risk. There are also benefits to knowing that an asset will be maintained at a certain level throughout the entirety of its life cycle. We have utilized different forms of

P3 for different projects, and we will continue to assess which projects would benefit from using the P3 delivery model.

Montana Department of Transportation

The department's estimates on financial investment in transportation construction:

MDT typically expends approximately \$320 million annually on roadway construction and another \$18 million on consultant services. The consultant services has recently increased due to recent actions reducing our FTE by the Montana Legislature.

Planning and design contracts and resident engineer construction inspection services you will be advertising over the next 24 months:

Again, we will be expending approximately \$18 million in consultant contracts for design purposes. We are instituting a process for construction inspection services. This year and next we will be hiring staff from consulting firms to augment our field crews and by summer of 2020 we will have a process established to hire full resident engineer construction inspection services.

Your state's current position regarding design-build and public-private partnerships for transportation projects:

MDT has a fully developed Design-Build program and currently lets approximately 5 projects per year using this contracting method. We are also instituting a Job Order Contracting (ID/IQ) method and have let 5 contracts through this method. In 2017 MDT received approval from our Legislature to institute CM/GC and we are allowed to let 4 contracts over a period of 7 years as a pilot program. We are instituting the process in association with our local AGC and ACEC organizations. We have identified one project and have issued an RFP for the design firm. Regarding public-private partnerships, given our rural nature most of our P3 projects are limited to intersection improvements such as when a developer proposes to locate adjacent to one of our roadways and needs access. Beyond this, MDT sees minimal potential for P3 projects in our state.

North Dakota Department of Transportation

The department's estimates on financial investment in transportation construction:

- State System - \$193 Million/Year
- Urban System - \$46 Million/Year
- County System - \$24 Million/Year
 - Total - \$263 Million/Year

Note: These numbers are based on a Federal Program plus local match.

Your state's current position regarding design-build and public-private partnerships for transportation projects:

- Our Century Code currently does not allow the ability to do design-build. In 2009 the Legislature allowed for some limited ability to do design-build but the authority to do that has expired.

- This past legislative session HB 1110 allowed the director to enter a cooperative agreement with a private entity for the construction of an item on the state highway system which will benefit the private entity and the traveling public.

Planning and design contracts and resident engineer construction inspection services you will be advertising over the next 24 months:

Preliminary Engineering:

	DOT (%)	Consultant (%)
State	61	39
City	3	97
County	54	46
Total	54	46

Construction Engineering:

	DOT (%)	Consultant (%)
State	41	59
City	0	100
County	3	97
Total	34	66

Texas Department of Transportation

The department's estimates on financial investment in transportation construction:

\$7 billion per year

Planning and design contracts and resident engineer construction inspection services you will be advertising over the next 24 months:

Planning and design contracts \$800 million. Construction inspection contracts \$500 million.

Your state's current position regarding design-build and public-private partnerships for transportation projects:

Limited to three design build procurements per year, limited use of public-private partnerships

Utah Department of Transportation

The department's estimates on financial investment in transportation construction:

The Utah Department of Transportation invests approximately \$800M annually in construction.

Planning and design contracts and resident engineer construction inspection services you will be advertising over the next 24 months:

Annually the Department Outsources for approximately \$60M in Design Contracts and \$39M on Construction Engineering

Your state's current position regarding design-build and public-private partnerships for transportation projects:

The UDOT uses DBB, DB, CMGC and PDB for contracting methods. The larger projects primarily use DB.

Shane will also address the recent legislation passed by the Utah State Legislature regarding Public-Private Partnerships (P3).

Washington Department of Transportation

The department's estimates on financial investment in transportation construction:

The Highway Construction program will have an estimated \$3.3 billion of expenditures over the next 24 months

Planning and design contracts and resident engineer construction inspection you will be advertising over the next 24 months:

The design/inspection services portion of the Highway Construction Program's next 24 month's expenditures is estimated to be \$550 million

Your state's current position regarding design-build and public-private partnership for transportation projects:

- 17 design/build project are currently underway with a total contract value of \$4.1 billion
- 38 currently planned design/build project with a total estimated contract value of \$5.7 billion.
- PPP not currently being utilized

