



American Road
& Transportation
Builders Association

ARTBA Engineering Issues Luncheon
State Department of Transportation Updates

2019 WASHTO Conference

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Idaho Transportation Department

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

Estimated Financial Investment in Transportation Construction
(in millions, includes local systems eligible for federal aid and the state highway system)

	<u>Contracted Preliminary Engineering</u>	<u>Contracted Construction Engineering</u>	<u>Contract Construction</u>
2019	\$47,845,084	\$26,322,880	\$488,622,407*
2020	13,798,657	21,640,334	455,326,308*
2021	4,933,000	17,532,900	423,891,361*
2022	1,362,000	10,725,200	335,037,500
2023	<u>730,000</u>	<u>7,252,400</u>	<u>325,802,480</u>
5-Yr. Avg.	\$13,733,748	\$16,694,743	\$405,736,011

*These three years include a total of \$300 million GARVEE bonding from FY19- FY25 Approved Program (5-28-2019)

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

Idaho has legislation enabling design-build and public-private partnerships (*Sections 40-904 and 40-9-905, Idaho Code*) and is working with the Associated General Contractors and the American Council of Engineering Companies to actively promote and expand the use of design-build and public-private partnerships in the state.

Design-build and public-private partnerships are tools that ITD uses, depending on which will create the best return on investment for each individual construction project.

The 2019 Northgate interchange project, located north of Pocatello, is a public-private partnership that is

currently under construction.

ITD will continue to pursue opportunities in the future to implement design-build and public-private partnerships, but due to the rural nature of Idaho, design-bid-build will likely continue to be the best tool for most projects in the foreseeable future.

Texas Department of Transportation

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

- 10 year plan is \$76.9 Billion => \$7.7Billion/year

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

- Planning and Design = \$1.285 Billion/year => \$2.570Billion/24 months
- CEI = \$222 Million/year => \$444 Million/24 months

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

- Design-Build = 6 per Biennium (Minimum of \$150Million per project)

California Department of Transportation

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

- Annual Statewide Caltrans' financial Investment *Prior to SB1 (April 2017)*
 - ✓ Capital Program → \$2.5B
 - ✓ Maint Program → \$270M
 - ✓ Total Program → \$2.8B
- Annual Statewide Caltrans' financial Investment *Post SB1*
 - ✓ Capital Program → \$2.5B + \$1.9B = \$4.4B
 - ✓ Maint Program → \$270M + \$430M = \$700M
 - ✓ Competitive SB1 → \$750M (Transit) + \$300M (Trade Corridors) + \$250M (Cong. Corridors)
 - ✓ Total Program → Approximately \$6.4B
- No sunset date for SB1
- Funds Type Composition = State + Fed + SB1
- Local Investment Not part of these number → ie self-help counties & cities

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

- A&E Contract → 10% of Caltrans workload
- Next 2-years → 1,000/yr of equivalent work to be contracted out
- Average Annual A&E Contract → \$240M to \$260M

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

- Caltrans is open to all forms of innovative delivery methods
- Alternative delivery methods are becoming more widely used
- Demonstrated significant benefits for appropriately selected projects

- Caltrans has done Design Sequencing, CMGC, Design-Build & P3
- Design Sequencing authority expired in 2008
- CMGC now have unlimited authority since last year (2018)
- Caltrans is legislatively limited to certain DB project slots
- SB 4 (2009) → authorized 10 DB slots → gave 2 to locals → total DB was \$1.3B
- AB 401 (2013) → authorized 10 DB slots for Caltrans → unlimited for local Transportation agencies
- Currently → 2 projects approved → One is Sac 50 HOV and Rehab #300M is under procurement.
- As for P3, public-private partnerships
- Had one recently in 2010.
- The Presidio Parkway, a 1.6-mile approach to the Golden Gate Bridge in San Francisco
- Governor Schwarzenegger converted the project to P3 in 2010
- Had some challenges with project cost more than doubled to \$1.3B
- Besides the challenge, currently have no legislative authority to do P3
- The P3 legislative authority expired on Jan 1, 2017.
- Would need new legislative authority
- Would also need CTC approval to use P3

Nebraska Department of Transportation

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

Given the significant damage to Nebraska's transportation system due to spring flooding, (March 2019 ER) the 2020 Construction Program is currently still being evaluated.

Generally speaking, NDOTs annual construction program is between \$500-600million:

- NDOT's annual goal is to do preservation work on 500 miles of the state highway system (20% of 10,000 network miles).
- 10-15% of the construction program is dedicated to Capital Improvement (construct highway or bridges that weren't there before, or add new lanes or structures to the system),
- 5-10% of the construction program is dedicated to light surface maintenance (such as fog seals or crack seals) done primarily by State Forces.
- 75-85% of the construction program is dedicated to Asset Preservation which includes preserving and modernizing existing interstate, highways and bridges on the state system, contracted with external construction companies.

In Nebraska, Federal Aid is used to fund 80-90% of the preservation and modernization construction on the State's interstate, highways and bridges. If federal re-authorization is not addressed in the next year, the impact will be felt on projects that make up over 75% of our annual construction program (projects used to preserve and modernize the system).

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

The annual Engineering Consultant services budget is approximately \$37 million per year.

- Typically, NDOT has contracted out approximately 40-50% of all of its professional services.
- There has been an upward trend on professional services contracted, as high as 60% - mostly due to initiation of a large Design-Build contract and multi-service project contracting (contracting all services for 20+ projects, in addition to individual services.

- Historically \$3 million paid on Construction Engineering services annually (for state and local federal aid projects), expect that to continue or increase with letting of Lincoln South Beltway, where we may have a larger CE contract due to size and aggressive nature of construction schedule.
- Expect to contract \$30-40 million annually and pay out \$25-35 million annually – this is consistent with latest 5 year trend
- Professional services contracts will increase in near term due to 2019 flood event response

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

- Governor Ricketts believes in applying the same principals of efficiencies and effectiveness found in business to the public sector. The NDOT supports Public Private Partnerships and utilizes them where efficiencies can be found.
- Legislation recently changed in Nebraska, allowing us to use DB and CMGC
- The majority of Nebraska's construction is asset preservation, which don't lend themselves to these types of procurement tools as well as Capital Improvement projects.
- NDOT currently has one DB project and has plans to pilot one CMGC for Wetland Bank creation to determine if that is a good tool for this type of project.
- We will use DB or CMGC periodically for certain projects. Both tools will be used sparingly, we don't expect it to be used widespread in Nebraska.

Montana Department of Transportation

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

We estimate approximately the following expenditures;

Federal Aid Construction - \$325 million

State funded Construction - \$6 million

Consultant payments - \$17 million

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

It is unknown about specific projects, but we annually contract for about \$10 - \$15 million in consultant work.

We are also in the process of initiating Consultant Construction Contract Administration/ Consultant Engineering Inspection. We plan to contract 2 – 5 projects starting in 2020 with an estimated expenditure of \$3 - \$5 million.

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

Design – Build – We award between 5 – 10 projects each year with an annual cost of \$20 - \$30 million. This year we are proposing a project that will require the firm to acquire R/W which is unique for our program.

We also received approval from the 2017 legislature to begin using CM/GC as an alternative contracting mechanism. We have awarded two contracts for design and are in the process of awarding a third within the next couple of months.

Our Public-Private partnerships are fairly small scale. Most of our P3 projects are coordination efforts with developers and having them mitigate their impacts on our system. They typically consist of intersection improvements such as signals or turning lanes.

Arizona Department of Transportation

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

We will be responsible for delivering \$1B over next 2 years, but less than half of it is "ADOT/Fed" funding. 60% is local funding through sales tax in MAG and PAG regions (Phx and Tucson).

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

90-100M yearly

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

We use APDM frequently for the right projects and we use P3 procurement

Washington Department of Transportation

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

- WSDOT will have an estimated \$4.7 billion of transportation construction expenditures over the next 24 months;
 - i. Highway Construction \$3.7 billion
 - ii. Ferry Terminal & Vessel Construction \$450 million
 - iii. Other Construction \$545 million
- The 2003, 2005, and 2015 revenue packages fund projects with estimated expenditures of \$3.6 billion over the next 24 months:
 - i. 2003 Nickel \$55 million
 - ii. 2005 TPA \$502 million
 - iii. 2015 CWA \$3 billion
- The 2015 Connecting Washington revenue package includes an additional \$7.7 billion of planned expenditures through the 2029-31 biennium.
- Over the next 24 months the estimated Highway Construction Program expenditures for:
 - State of Good Repair is \$817 million
 - Safety is \$137 million and
 - Capacity is \$2.7 billion

Planning and design contracts and resident engineer construction inspection services 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 \$690 million
 - \$400 million is for preliminary engineering services (PE)

- \$350 million is for construction engineering services (CN)
- Over \$50 million for design contracts will be awarded over the next 24 months. This does not include design services provided under a Design/Build contract.
- The Consultant Services Office currently maintains a list of On-Call Construction Management, Inspection, Change Order Management & Scheduling Services agreements worth \$32 million. This does not include services provided under a Design/Build contract.

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

- 19 design/build project are currently underway with a total contract value of \$3.7 billion. Top three projects are:
 - SR 99/Tunnel Alternative, Tunnel Design Build (\$1.6 billion)
 - I-405/SR 167 Renton to Bellevue – Corridor Widening & ETL (Stage 2) (\$700 million)
 - SR 520/Montlake to Lake Washington - I/C and Bridge Replacement (\$455 million)
- 46 currently planned design/build project with a total estimated contract value of \$4.6 billion. Top three projects are:
 - I SR 167/I5 to SR 509 Stage 1B (\$400 million)
 - SR 509/I5&SR516 I/C to 28th/24th Ave S – SR509 Stage 1 (\$350 million)
 - I-5 Mounts Rd to Steilacoom-DuPont Rd – Corridor Improvements (\$200 million)
- No Public/Private Partnerships (P3) due to complex statutory framework:
 - i. For a transportation project to be executed as a P3, the proposal must go through a vetting process where there are six opportunities for the project to be approved or denied.
 - ii. Potential private sector partners are not willing to invest the time and/or money to develop a proposal (or response to a P3 opportunity) because WSDOT's current authorization is too cumbersome and there is little to no chance of approval.
- There is growing interest in using various P3 models, where appropriate, on some of our projects.
 - i. We continue to discuss revising current statutory restrictions governing the use of P3's.
 - ii. On a smaller scale, WSDOT is piloting efforts to deploy P3's on "social infrastructure" projects. For example, we've been authorized to move forward with the construction of a Transit Oriented Development facility at our Kingsgate park and ride. This project, when completed, will increase parking capacity for transit riders and provide much needed additional housing stock – both affordable and market rate.

Utah Department of Transportation

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

Total department investment of \$1,300 million in construction: \$820 million on capacity enhancements, \$252 million dedicated to pavement preservation, rehabilitation & management, & another \$228 million programmed to safety, structures & enhancements.

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

The UDOT forecast for consultant services over the next few years is generally constant. We have experienced a significant growth in PE Services over the past several years due to a growth in our program, specifically mid-size Design Build, CMGC, and Progressive Design Build Projects (\$100-\$600M) and large Design-Build-Build Projects (\$100M). The Planning and Design Services will continue in the range of \$90M/year and the Construction Engineering Services will continue in the \$22M ranges.

See attached expenditure slide

Specific information on our upcoming known and projected consultant services contracts can be found on the UDOT webpage (udot.utah.gov) by searching for "Consultant Marketing Report)

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

UDOT uses Design-Build as well as other innovative contracting methods frequently as a way to provide value to the traveling public. Design-Build has provided innovation, time/cost savings and has minimized traffic impacts during construction. UDOT intends to continue to use Design-Build as well as other innovative contracting methods (such as CMGC and Progressive Design Build) to provide value to the traveling public.

Utah recently passed legislation (63g-6a-712) that allows for unsolicited proposals for a public-private partnership infrastructure project. UDOT then recently developed an administrative rule (R926-16) related to Unsolicited Proposals for Transportation Infrastructure Public-Private Partnerships. UDOT has not received any unsolicited proposals to date.

South Dakota Department of Transportation

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

Planned FY2020 - \$500 million/year with approximately \$350 M of that on preservation maintenance.

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

Approx. 15% of our program uses consultant services.

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

None to very limited.

