EXPEDITING THE DELIVERY OF TRANSPORTATION PROJECTS

Discovering New Roles for Mn/DOT and the Consulting Industry

October 22 – 24, 2000

CENTER FOR TRANSPORTATION STUDIES
UNIVERSITY OF MINNESOTA

MINNESOTA DEPARTMENT OF TRANSPORTATION (Mn/DOT)

CONSULTANT ENGINEERS COUNCIL OF MINNESOTA (CECM)
EXPEDITING THE DELIVERY OF TRANSPORTATION PROJECTS – PROCEEDINGS

Susan Henderson

University of Minnesota
Center for Transportation Studies
511 Washington Ave., S.E.
Minneapolis, MN  55455-0375

Minnesota Department of Transportation
395 John Ireland Boulevard Mail Stop 330
St. Paul, Minnesota 55155

Abstract (Limit: 200 words)

On October 22-24, 2000, 59 leaders from consulting engineering firms, Mn/DOT and the Department of Administration gathered in Minneapolis, Minnesota to participate in a workshop to address their fundamental working relationships and the processes related to the consultant program. The workshop was convened by the University of Minnesota’s Center for Transportation Studies and sponsored by Mn/DOT and the Consulting Engineers Council of Minnesota.

The workshop objective was to discover new ways for Mn/DOT and the consulting industry to expedite the delivery of transportation projects that benefit the public. Leaders in the private and public sector, seeking to address the challenges of the future with fresh approaches and new thinking, met to:

- Understand the central role of the Consultant Program in the “Big Plan”
- Analyze the problems facing government and private users of the Consultant Program
- Examine the best practices in Consultant Programs from other state DOTs and lessons they may hold for MN
- Develop a blueprint to make the Consultant Program “better-faster-cheaper” and more satisfying to work in

Four groups of Mn/DOT stakeholders, two groups of consulting firms and an administration group were formed to identify issues and challenges in the “as is” consulting process from their perspectives. The major issues and challenges were recorded and reported to the larger workshop.

After presentation by other state DOTs on best practices, the group created stretch goals for the consultant program. The next steps in bringing improvement ideas to strengthen the consultant program into action include:

- Preparation of the Final Workshop Report to be mailed to each participant within three weeks
- A Steering Committee meeting immediately following the workshop to identify goals and dates for the next steps

Program Delivery
Consultant Contract
Contracting Process

No restrictions. Document available from:
National Technical Information Services,
Springfield, Virginia  22161
PROCEEDINGS

Expediting the Delivery
of Transportation Projects

Discovering New Roles for
Mn/DOT and the Consulting Industry

October 22 – 24, 2000

PUBLISHED BY
Center for Transportation Studies
University of Minnesota
511 Washington Avenue SE
Minneapolis, MN 55455-0375

Prepared By
Susan Henderson, Henderson Associates

Edited By
Hilary Davis, Center for Transportation Studies

PRINTED BY
Minnesota Department of Transportation
Office of Research Services
395 John Ireland Blvd.
St. Paul, MN 55155
Phone: 651-282-2274
E-mail: research@dot.state.mn.us.

The University of Minnesota is an equal opportunity educator and employer.
This publication is available in alternative formats upon request.
Printed with 30 percent postconsumer waste.
CONTENTS

WORKSHOP PURPOSE.................................................................................................................. 1

WORKSHOP PROCEEDINGS........................................................................................................ 2

Workshop Opening.......................................................................................................................... 2

Consultants & DOTs by Hal Kassoff.............................................................................................. 2

The “Big Plan” and Transportation Panel ................................................................................... 3

  Mn/DOT Deputy Commissioner Douglas Weisshaar................................................................. 4
  Department of Administration Commissioner David Fisher.................................................... 4
  Consulting Engineers Council of Minnesota Glenn Schreiner.................................................. 4

Consultant Program Walk-Through .............................................................................................. 5

  Department of Administration: Paul Stembler, Assistant Director, Materials Management Division................................................................................... 5
  Mn/DOT Consultant Services: Janet Blakik, Consulting Services........................................... 5
  Consultants: Dale Grove, CEC Transportation Chair............................................................... 5

Contracting Process Research ...................................................................................................... 6

Challenges and Issue Identification .............................................................................................. 8

Best Practices ............................................................................................................................... 8

  Wisconsin DOT Mike Cass......................................................................................................... 8
  Michigan DOT Peter Devlin........................................................................................................ 9
  Florida DOT Terry Cappellinni .................................................................................................. 9

21st Century Program Delivery .................................................................................................... 10

  Brainstormed Stretch Goals....................................................................................................... 10
  Consultant Program Improvement Ideas..................................................................................... 11

Workshop Closing .......................................................................................................................... 11

APPENDIX I: WORKSHOP PARTICIPANT LIST

APPENDIX II: CONSULTANTS & DOTs BY HAL KASSOFF

APPENDIX III: DEPARTMENT OF ADMINISTRATION BY PAUL STEMBLER

APPENDIX IV: MN/DOT CONSULTANT SERVICES BY JANET BLAKIK

APPENDIX V: CONSULTANT PROGRAM BY DALE GROVE

APPENDIX VI: WISCONSIN DOT MIKE CASS

APPENDIX VII: MICHIGAN DOT PETER DEVLIN

APPENDIX VIII: FLORIDA DOT TERRY CAPPELLINNI

APPENDIX IX: BRAINSTORMED IMPROVEMENT IDEAS

APPENDIX X: WORKSHOP EVALUATION
Expediting the Delivery of Transportation Projects
Discovering New Roles for Mn/DOT and the Consulting Industry
October 22 – 24, 2000

WORKSHOP PURPOSE

On October 22 - 24, 2000, 59 leaders from consulting engineering firms, Mn/DOT and the Department of Administration gathered in Minneapolis, Minnesota to participate in a workshop to address their fundamental working relationships and the processes related to the consultant program. The workshop was convened by the University of Minnesota’s Center for Transportation Studies and sponsored by Mn/DOT and the Consulting Engineers Council of Minnesota.

The workshop objective was to discover new ways for Mn/DOT and the consulting industry to expedite the delivery of transportation projects that benefit the public.

Leaders in the private and public sector, seeking to address the challenges of the future with fresh approaches and new thinking, met to:

• Understand the central role of the Consultant Program in the “Big Plan”

• Analyze the problems facing government and private users of the Consultant Program

• Examine the best practices in Consultant Programs from other state DOTs and the lessons they may hold for Minnesota

• Develop a blueprint to make the Consultant Program “better – faster – cheaper” and more satisfying to work in

Those attending included representatives from:

<table>
<thead>
<tr>
<th>Workshop Participants</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Private Consulting Firms</td>
<td>21</td>
<td>36%</td>
</tr>
<tr>
<td>• Government</td>
<td>38</td>
<td>64%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>59</td>
<td>100%</td>
</tr>
</tbody>
</table>

Workshop Participant List is in Appendix I.
WORKSHOP PROCEEDINGS

Sunday, October 22

Workshop Opening

Robert Johns, acting director of the Center for Transportation Studies, welcomed participants and introduced members of the steering committee responsible for planning the workshop. The steering committee members are:

- Dave Ekern, Chair
- Janet Black
- Doug Differ
- Dale Grove
- Patrick Hughes
- Robert Johns
- Glenn Schreiner
- Paul Stember
- Cheri Trenga

Minnesota Department of Transportation
Minnesota Department of Transportation
BRW, Inc.
Bonestroo Rosen Anderlik & Associates, Inc.
Minnesota Department of Transportation
Center for Transportation Studies
Short Elliott Hendrickson Inc. (SEH)
Minnesota Department of Administration
Center for Transportation Studies

Consultants & DOTs by Hal Kassoff

Hal Kassoff, vice president of Parsons Brinkerhoff, was introduced and set the scene for the workshop with a presentation of David Witteford’s two reports on consultants and DOTs (see Appendix II for presentation).

- NCHRP Synthesis 277: Consultants for DOT Preconstruction Engineering Work, 1999
- NCHRP 20-7 AASHTO/ACEC Task Force: Effective Use of Consultants by State DOTs (Best Practices), 2000

Highlights of the Consultants for DOT Preconstruction Engineering Work, 1999 research include:

- A survey was sent to 50 states and 96 consultants; responses were received from 33 states and 30 consultants
- Ten years ago, one in five DOTs contracted 50% or more; now half the states contract 50% or more.
- Ten years ago, half did 80% plus in-house; now one in six do 80% or more in-house.
- The elapsed time from ad to notice to proceed is a minimum of seven weeks, a maximum of one year plus, with an average of six months.
- DOT views of consultants include:
  - Consultants as extension of staff
  - Mutually beneficial partners
  - We have no choice
  - Threat to core competency
  - Danger of raiding DOTs
• Consultants’ views of DOTs include:
  - DOTs don’t negotiate well – just give the bottom line
  - Over half object to caps, one-third had no problem
  - DOTs need better-trained project managers

Highlights of the *Effective Use of Consultants by State DOTs (Best Practices)*, 2000 research include:
• The states included in the best practices study were Florida, Michigan, Utah, Virginia, and Wisconsin.
• Consultant selection took three to four months (versus the average for all states of six months).
• The selected states utilized efficiencies in:
  - Consultant selection, including prequalification, Web sites, on-call contracts, uniform processing across districts/divisions, simplifying shortlisting process, raising dollar limits affecting procedural complexity
  - Negotiation, including removing audit requirements in negotiation stage, dividing technical and administrative responsibilities among different staff, approvals within DOT rather than outside
  - Contract management, including liaison – DOT/consultant relationships, project managers’ role, handling changes, evaluation process
• Conclusions included:
  - Consultant use by DOTs is growing
  - Processes range from efficient to cumbersome
  - Great variation among states
  - Improvements are evolving

Keys to efficient and effective use of consultants include:
• A streamlined, squeaky clean selection process
• Internal project manager training in managing consultants
• Use of lump sum where scope is clear
• Open and ongoing communication between DOT and CEC

For more information, contact Hal Kassoff at (202) 783-0241.

**The “Big Plan” and Transportation Panel**

Three panelists from state government and the CEC set the tone for the workshop by communicating the vision and direction for the transportation consultant program. The panelists were:
• Minnesota Department of Transportation: Deputy Commissioner Douglas Weiszhaar
• Minnesota Department of Administration: Commissioner David Fisher
• Consulting Engineers Council of Minnesota Transportation Committee Member: Glenn Schreiner
Mn/DOT Deputy Commissioner Douglas Weiszhaar

Commissioner Weiszhaar stressed the need to keep government accountable, responsive, and limited. He likened the current contracting process to a baseball team following process requirements; in the future, the process needs to be more like a basketball team that “scores” from anywhere on the court.

Mn/DOT is committed to:
• Developing a Minnesota model for designing and building
• Implementing electronic bidding, context sensitive design, and working with commitments in a constricted time period
• Learning from other states
• Looking at partnerships; seeking recommendations on how to acquire services faster and better
• Using this process for follow-up and implementation

Department of Administration Commissioner David Fisher

The department has been working with Mn/DOT administration and a recent survey showed that 90% of contracts are turned back to Mn/DOT in five days.

Everyone in the Department of Administration has gone through reorganization emphasizing customer service that promotes openness in the bidding process to create a fair, legally responsible contract.

Consulting Engineers Council of Minnesota Glenn Schreiner

The Consulting Engineers Council is a national non-profit consultant organization with strong representation in Minnesota. Nationally, the Council has 5000 member firms with 170 in Minnesota. The transportation committee has 56 members committed to promoting transportation in Minnesota and can be a strong ally willing to generate innovative ideas.

The CEC favors QBS — Qualification-Based-Selection, which can provide good service.

A question-and-answer period followed the panelists’ presentations.
Monday, October 23 Morning Session

Consultant Program Walk-Through

The purpose of the Consultant Program Walk-Through was to examine the Mn/DOT and Administration “as is” Consultant Program from three stakeholder perspectives: the Department of Administration, Mn/DOT and the consultants. Mn/DOT Assistant Commissioner Patrick Hughes introduced the presenters and their presentations, which included:

Department of Administration: Paul Stembler, Assistant Director, Materials Management Division
The Department of Administration’s process review included:
• A description of the Statutory Contexts in which the department operates with distinctions between those requirements mandated by statute and those that are not
• The number of documents, dollar value, performance measures, and the length of time the process takes within various agencies and the Department of Administration

See Appendix III for presentation.

Mn/DOT Consultant Services: Janet Blacik, Consulting Services
Consultant Services reviewed the process for contracting professional/technical services including:
• A description of the categories of contracting processes
• A description of the general process and the steps involved
• Process improvement efforts
• Trends in consultant contracts in the last two years:
  - The number of RFPs, amendments, and work orders has increased from 208 in FY98 to 745 in FY00
  - The amount of payments made has increased from $14,200,000 in FY98 to $31,200,000 in FY00

See Appendix IV for presentation.

Consultants: Dale Grove, CEC Transportation Chair
The consultant project development process review included descriptions of:
• Proposal preparation – scope of services; go versus no-go decision; costs of proposal preparation; keys to proposals
• Project delivery – getting started; getting the work done; reviews and quality checks

See Appendix V for presentation.
Contracting Process Research

The results of a Consultant Contracting Process survey administered in early October, 2000 to identify process challenges and recurring themes from past Mn/DOT research were presented by Susan Henderson of Henderson Associates to highlight issues in the “as is” Consultant Program.

Studies conducted from 1990 through 1995 identified five broad issue areas needing attention:

- Process – how Mn/DOT selects, hires, pays, and closes out contracts with consultants
- Performance — the level of performance for both Mn/DOT and the consultants
- Program Direction — the future major changes in direction for the Consultant Program
- Budget — financial management and cost-effective use of consultants and the consultant budget
- Ethics — maintaining the integrity of the working relationship between the consultants and Mn/DOT in conformance with ethical behavior defined by law and policy

Issues that have continued to surface over the years are:

- Time — the contracting process is too long; communication timeliness
- Selection Process — equal access and information
- Project Managers — training and knowledge; appropriate authority to manage contracts
- Cost to Consultants — to participate in the selection process
- Scoping and Cost Estimates — better definition of project scope early in project development

The research conducted in October 2000 surveyed 84 consulting firms with 22 completed responses (26% response rate), and 103 representatives from Mn/DOT with 40 completed responses (39% response rate).

Highlights from the survey include:

- On average, consultants submit a proposal every two months — average success rate is 37%.
- 94% of consultants indicate more knowledge of the proposal approval process would be helpful.
- Both groups generally know who to go to for inquiries.
- Three in five consultants and two in five Mn/DOT employees are dissatisfied with the contracting process.
- Mn/DOT attitudes toward the contracting process are generally good, except for issues relating to:
  - Timeliness
  - Need for project manager training
- Consultants have similar concerns, plus:
  - The fairness of the selection process
  - Mn/DOT personnel’s understanding of costs
- Issues for both consultants and Mn/DOT employees:
  - Timeliness
  - Efficient communication channels
  - Training
  - More District authority
  - A more effective contracting process
The results of the survey included improvement suggestions from both consultant firms and Mn/DOT:

Consultant firm suggestions for improving the contracting process:
• Selection Process — streamline; use QBS; consistency
• Advance Project Notice — announce all projects at the same time
• Shorten Process Time Frames — reduce effort required to respond to RFP
• District Authority — more authority in the consultant selection process

Mn/DOT suggestions for improving the contracting process:
• Shorten Process Time Frames — get consultants on board faster
• District Authority — more authority in the consultant selection process
• Streamline the Process — simplify; improve internal communication
• Training — more training for all involved
Monday, October 23 Afternoon Session

Challenges and Issue Identification

Four groups of Mn/DOT stakeholders, two groups of consulting firms and an administration group were formed to identify issues and challenges in the “as is” consulting process from their perspectives. The major issues and challenges were recorded and reported to the larger workshop. The following categories summarize the issues and challenges identified by the stakeholders:

- Timeliness of process - from request to consultant services to start
- Lead time and redundancy
- Knowledge and skill training needs for Mn/DOT staff and consultants
- Policy / legislation / procedure
- Tensions in the process
- Scoping work / services
- Streamlined ways of advertising projects
- Extent of administration reviews and control
- Culture: partnership / trust

Best Practices

Best practices presentations were made by the following representatives of other state DOTs:

Wisconsin DOT Mike Cass

Wisconsin DOT has gone from 35% consultant usage to 50% since 1997. Highlights of their solicitation program include (see Appendix VI for presentation):

- DOT solicits for interest on regular basis
  - Monthly solicitations on the Internet for design
  - Once a year for construction at a construction fair
  - Every two years for Full Service Design Master Contracts
- Annual design opportunity interviews

In 1992, Wisconsin started a “Partnering Effort” with consultants to improve relationships and identify issues. The two-day effort with 15 consultants and 15 DOT staff identified actions that each takes that create problems for the other group. The result of the effort was the development of a “Partnering Charter” with:

- Communication/relationship objectives
- Performance objectives
- Conflict resolution system

The challenges faced include:

- Evaluating consultant performance
- Developing district team of experts
- Reducing WisDOT review and monitoring time of consultant plans
- Handling capacity and distribution of work as the program increases (top ten firms do 50% of the work)
Michigan DOT Peter Devlin
Michigan DOT has made improvements in their contracting process based on best practices in the following areas (see Appendix VII for presentation):

- Improved Processes — to have contracts that are effective, efficient, defendable, accepted, fast, and executed by the date that they are needed through long-range planning and expedited process
- Alternative Organization Structures/Roles — critical issues include generalization, centralization, and resolution of contract issues
- Workforce Strategies — defining the kind of people needed, job skills for technical areas, and support staff and employee selection based on need (not availability)
- Improved Communication Mechanisms — utilizing alternatives to postal service alone including bulletin board, listserv, e-mail, overnight delivery, facsimile, and teleconference
- Policy/Legislation — to hire consultants, execute contracts, and empower

Florida DOT Terry Cappellinni
The Florida DOT consultant program has experienced a steady increase over the last 15 years and has grown from $70 to $450 million; preliminary engineering has grown from 40% to 80%. The major changes implemented include (see Appendix VIII for presentation):

- Decentralized selection, negotiations, and contracting to eight district offices
- Eliminated price proposals
- Developed two-stage prequalification process:
  - Technical qualification by type of work — administrative qualification — requires overhead
  - Audit & professional liability insurance controlled centrally
- Developed database of qualification info, contract history, and performance evaluations

Highlights of the current process includes:
- Advertising on the Web
- Pre-qualified firms submit LOI — two-page max
- Technical committee longlists 10
- Management committee shortlists 3
- Technical committee scores proposals
- Management committee ranks
- Project manager \ contracts staff negotiate

Enhancements that have been made to the process are:
- Innovations in contracting methods
- Partnering with consultants to improve negotiations
- Making data more accessible through web-based applications — Internet and Intranet
- Electronic Document Management System (EDMS)
  - EDMS will provide automated retrieval of all documents from qualification to contract closeout and make electronic documents available on the Web
- Consultant Invoice Transmittal System (CITS)
  - CITS will allow electronic generation and submittal of price proposals and invoices by consultants via the Internet and interface with existing databases
Integration of EDMS and CITS with the Internet will streamline processes and make data readily available to the department and its consultant partners.
Tuesday, October 24 Morning Session

21st Century Program Delivery

Cheri Trenda of the Center for Transportation Studies and Brad Brown of Henderson Associates presented the concept of “Stretch Goals” and facilitated the group in creating stretch goals for the Consultant Program. A stretch goal:

• Is a brief statement describing a quantum leap in performance
• Leads to “clean sheet of paper” thinking
• Frames improvement idea generation

Brainstormed Stretch Goals
The stretch goals identified by the workshop participants included:

• Balanced form of contract between agency and consultant that all believe is fair
• Process from start to finish is the fastest in the nation (from need identification until contract signed)
• Consultant solicitation dates identified 6 – 12 months out
• Fully automated process within 18 months
• Resources supplemented from outstate sources
• Mn/DOT involved in early planning of the program — turn over to consultants/contractors (no checks by Mn/DOT)
• Management training focused on program delivery versus audit and control
• Consultant plan submitted without Mn/DOT review and all problems handled solely by the consultant
• Decentralization: People who need consultants are in charge
• Energetic, trusting partnership between Mn/DOT and consultants
• Mn/DOT has ultimate contracting authority
• Authority to act spontaneously to address the needs
• Five-year program (consultant and construction) that we live by
• To get $2 billion worth of construction contracts in next two years
• Consulting services outsourced
• 50% of the work performed by consultants
• Funding to match five-year needs
Small mixed groups were randomly formed to brainstorm Consultant Program improvement ideas drawing on:

- Research findings
- Best practices
- Own experience and ideas
- Ability to help achieve stretch goal
- Challenges identified in stakeholder small groups during Monday session

Following the brainstorming session, the small groups converted their improvement ideas into preliminary plans and presented the top ideas to the entire assembly.

Consultant Program Improvement Ideas
The improvement ideas generated by the small groups are listed in Appendix IX of this document. The Steering Committee will sort, cluster, and prioritize these ideas in its work to prepare an action plan.

Workshop Closing
Robert Johns of the Center for Transportation Studies, Doug Weiszhaar of the Minnesota Department of Transportation, and Dale Grove of Consulting Engineers Council of Minnesota Transportation, thanked all participants for generously sharing their ideas and for working effectively together to bring the Consultant Program into the 21st Century.

The next steps in bringing improvement ideas to strengthen the consultant program into action include:
- Preparation of the Final Workshop Report to be mailed to each participant within three weeks
- A Steering Committee meeting immediately following the workshop to identify goals and dates for the next steps

Participants were asked to complete a Workshop Evaluation (Appendix X) and the workshop was adjourned with thanks to all.
APPENDIX I: WORKSHOP PARTICIPANT LIST
Abere, Doug • CH2M Hill • Phone: (651) 688-8844 • Fax: (651) 688-8844
1380 Corporate Center Curve, #200 • Eagan, MN 55121-1200 • Email: dabere@ch2m.com

Baus, Gina • Center for Transportation Studies • Phone: (612) 625-5829 • Fax: (612) 625-6381
200 Transportation and Safety Building, 511 Washington Avenue S.E. • Mpls, MN 55455-0375

Bennett, William • LHB Engineers & Architects • Phone: (218) 727-8456 • Fax: (218) 727-8456
Lake Superior Pl., 21 W. Superior St., #500 • Duluth, MN 55802 • Email: bill.bennett@lhbcorp.com

Benshoof, Jim • Benshoof & Associates, Inc. • Phone: (952) 238-1667 • Fax: (952) 238-1671
10417 Excelsior Blvd., #2 • Hopkins, MN 55343 • Email: jbenshoof@benshoof.com

Berget, Lee • Mn Department of Transportation • Phone: (218) 847-1500 • Fax: (218) 847-1583
District 4A North, Detroit Lakes, MS 040, 1000 Trunk Highway 10W • Detroit Lakes, MN 56501
Email: lee.berget@dot.state.mn.us

Berkowitz, Darrel • Toltz, King, Duvall, Anderson & Associates, Inc. • Phone: (651) 292-4445 • Fax: (651) 292-0083
1500 Piper Jaffray Plaza, 444 Cedar St. • St. Paul, MN 55101-2140 • Email: berkowitz.dh@tdka.com

Biser, Bruce • Mn Department of Transportation • Phone: (651) 297-8316 • Fax: (651) 282-2656
395 John Ireland Blvd., MS 120 • St. Paul, MN 55155 • Email: bruce.biser@dot.state.mn.us

Black, Janet • Mn Department of Transportation • Phone: (651) 296-4876 • Fax: (651) 282-9834
395 John Ireland Blvd., MS 680 • St. Paul, MN 55155 • Email: Janet.Black@dot.state.mn.us

Bray, Ron • WSB & Associates, Inc. • Phone: (763) 277-5787 • Fax: (763) 541-1700
350 Westwood Lake Office, 8441 Wayzata Blvd. • Mpls, MN 55426 • Email: rbray@wsbeng.com

Broadwell, Todd • Mn Department of Transportation • Phone: (320) 214-3682 • Fax: (320) 231-5168
District 8, Willmar, MS 080, 2505 Transportation Road, P.O. Box 768 • Willmar, MN 56201
Email: todd.broadwell@dot.state.mn.us

Brown, Brad • Henderson Associates • Phone: (612) 849-6332 • Fax: (763) 509-0526
4000 Black Oaks Lane • Minneapolis, MN 55446 • Email: HendAssoc@att.net

Busch, Bob • Mn Department of Transportation • Phone: (218) 828-2463 • Fax: (218) 828-2210
District 3A, Brainerd, MS 030, 1991 Industrial Park • Baxter, MN 56425 • Email: robert.busch@dot.state.mn.us

Cappelini, Terry • Florida Dept of Transp, Contractual Services • Phone: (850) 414-4477 • Fax: (850) 922-3019
605 Suwannee Street, Haydon Burns Bldg, Suite 481 • Tallahassee, FL 32399
Email: terry.cappelini@dot.state.fl.us

Cass, Mike • Wisconsin Department of Transportation • Phone: (608) 266-6885 • Fax: (608) 264-6667
P.O. Box 7965 • Madison, WI 53707-7965 • Email: michael.cass@dot.state.wi.us

Cowin, James • Mn Department of Transportation • Phone: (651) 296-1024 • Fax: (651) 284-3880
395 John Ireland Blvd, MS 130 • St. Paul, MN 55155 • Email: james.cowin@dot.state.mn.us

Devlin, Pete • Michigan Department of Transportation • Phone: (517) 373-9476 • Fax: (517) 373-9466
3711 Trianon Trail • Holt, MI 48842 • Email: devlinp@mdot.state.mi.us

Differt, Doug • BRW, Inc. • Phone: (612) 373-6339 • Fax: (612) 373-6522
Thresher Square, 700 Third St. South • Minneapolis, MN 55415 • Email: ddiff@brw_msp.com
Dorgan, Dan • Mn Department of Transportation • Phone: (651) 582-1481 • Fax: (651) 582-1302
Metro Division, MS 050, Waters Edge Building, 1500 West County Road B2 • Roseville, MN 55113
Email: dan.dorgan@dot.state.mn.us

Ekern, Dave • Mn Department of Transportation • Phone: (651) 296-6884 • Fax: (651) 282-2656
395 John Ireland Blvd, MS 120 • St. Paul, MN 55155 • Email: Dave.Ekern@dot.state.mn.us

Filter, Larry • Mn Department of Transportation • Phone: (507) 389-6876 • Fax: (507) 389-6281
District 7A, Mankato, MS 070, 501 S. Victory Drive, P.O.Box 4039 • Mankato, MN 56002-4039
Email: Lawrence.filter@dot.state.mn.us

Fisher, David f. • Minnesota Department of Administration • Phone: • Fax: Administration Building. • St. Paul, MN 55155 • Email: david.fisher@state.mn.us

Flotten, Diana • Center for Transportation Studies • Phone: (612) 625-5829 • Fax: (612) 625-6381
200 Transportation and Safety Building, 511 Washington Avenue S.E. • Minneapolis, MN 55455-0375

Gale, Stephan • Gale Tec Engineering, Inc. • Phone: (952) 473-7193 • Fax: (952) 473-7203
15500 Wayzata Blvd, #832, • Minnetonka, MN 55391 • Email: galetec@aol.com

Gerdes, Del • Mn Department of Transportation • Phone: (651) 296-3036 • Fax: (651) 296-7654
395 John Ireland Blvd., MS 675 • St. Paul, MN 55155 • Email: del.gerdes@dot.state.mn.us

Ginnaty, Mike • Mn Department of Transportation • Phone: (218) 847-1500 • Fax: (218) 847-1583
District 4A North, Detroit Lakes, MS 040, 1000 Trunk Highway 10W • Detroit Lakes, MN 56501
Email: mike.ginnaty@dot.state.mn.us

Gjovik, Wes • Mn Department of Transportation • Phone: • Fax: District 2A, Bemidji, MS 020, 3919 Highway 2W, P.O. Box 490 • Bemidji, MN 56619

Gonderinger, Charles • HDR Engineering, Inc. • Phone: (763) 591-5486 • Fax: (763) 591-5413
6190 Golden Hills Dr. • Minneapolis, MN 55416 • Email: cgonderi@hdrinc.com

Graczky, Stanley • Federal Highway Administration • Phone: (651) 291-6119 • Fax: (651) 291-6000
500 Galtier Plaza, 175 E. 5th Street, Box 75 • St. Paul, MN 55101 • Email: stanley.graczky@fhwa.dot.gov

Griffith, John • Mn Department of Transportation • Phone: (651) 582-1206 • Fax: (651) 582-1308
Metro Division, MS 050, Waters Edge Building, 1500 West County Road B2 • Roseville, MN 55113
Email: john.griffith@dot.state.mn.us

Grove, Dale • Bonestroo Rosene Anderlik & Associates, Inc. • Phone: (507) 282-2100 • Fax: (507) 282-3100
112 7th St. N.E. • Rochester, MN 55906 • Email: DGrove@bonestroo.com

Hagen, Maria • Center for Transportation Studies • Phone: (612) 625-5829 • Fax: (612) 625-6381
200 Transportation and Safety Building, 511 Washington Avenue S.E. • Mpls, MN 55455-0375

Henderson, Susan • Henderson Associates • Phone: (612) 849-6332 • Fax: (763) 509-0526
4000 Black Oaks Lane • Minneapolis, MN 55446 • Email: HendAssoc@att.net

Hughes, Patrick • Mn Department of Transportation • Phone: (651) 296-3156 • Fax: (651) 296-6135
395 John Ireland Blvd, MS 120 • St. Paul, MN 55155 • Email: Patrick.Hughes@dot.state.mn.us

Huseby, Jon • Mn Department of Transportation • Phone: (507) 389-6869 • Fax: (507) 389-6281
District 7A, Mankato, MS 070, 501 S. Victory Drive, P.O.Box 4039 • Mankato, MN 56002-4039
Email: Jon. Huseby@dot.state.mn.us
Johns, Bob • Center for Transportation Studies • Phone: (612) 625-5829 • Fax: (612) 625-6381
200 Transportation and Safety Building, 511 Washington Avenue S.E. • Mpls, MN 55455-0375
Email: johns003@cts.umn.edu

Johnson, Rich • HNTB Corporation • Phone: (612) 920-4668 • Fax: (612) 920-0173
3400 W. 66th St., #250 • Minneapolis, MN 55435 • Email: rjohnson@hntb.com

Kassoff, Hal • Parsons Brinckerhoff • Phone: (202) 783-0241 • Fax: (202) 783-0229
1401 K Street, MW, Suite 701 • Washington, DC 20005 • Email: kassoff@pbworld.com

Kaulzaric, Russ • Mn Department of Transportation • Phone: (218) 723-4870 • Fax: (218) 723-4774
District 1A, Duluth, MS 010, 1123 Mesaba Avenue • Duluth, MN 55811 • Email: russ.kaulzaric@dot.state.mn.us

Kim, Dennis • Enviroscience, Inc. • Phone: (952) 944-8486 • Fax: (952) 944-8836
10200 Valley View Rd., #151A • Eden Prairie, MN 55344 • Email: kd-kim@enviroscience-ems.com

Kranig, Jim • Mn Department of Transportation • Phone: • Fax: 395 John Ireland Blvd, MS 320 • St. Paul, MN 55155 • Email:

Kruse, Cameron • Braun Intertec • Phone: (952) 942-4800 • Fax: (952) 941-4151
6801 Washington Ave. S. • Mpls, MN 55439-1500 • Email: Ckruse@brauncorp.com

Leegard, Mike • Mn Department of Transportation • Phone: (651) 296-1079 • Fax: (651) 297-1521
395 John Ireland Blvd, MS 641 • St. Paul, MN 55155 • Email: mike.leegard@dot.state.mn.us

Lehner, Kathy • Mn Department of Transportation • Phone: (651) 297-4253 • Fax: 651 282-2656
395 John Ireland Blvd, MS 140 • St. Paul, MN 55155 • Email: Kathy. Lehner@dot.state.mn.us

Linzie, Merritt • Mn Department of Transportation • Phone: (651) 296-3190 • Fax: (651) 284-3754
395 John Ireland Blvd, MS 620 • St. Paul, MN 55155 • Email: merritt.linzie@dot.state.mn.us

Maze, Tom • Howard R. Green Company • Phone: (651) 644-4384 • Fax: (651) 644-9446
1326 Energy Park Dr. • St. Paul, MN 55108 • Email: tmaze@hrgreen.com

McGinnis, Laurie • Center for Transportation Studies • Phone: (612) 625-5829 • Fax: (612) 625-6381
200 Transportation and Safety Building, 511 Washington Avenue S.E. • Mpls, MN 55455-0375

McKinnon, Joe • Mn Department of Transportation • Phone: (218) 755-3855 • Fax: (218) 755-2028
District 2A, Bemidji, MS 020, 3919 Highway 2W, P.O. Box 490 • Bemidji, MN 56619
Email: joseph.mckinnon@dot.state.mn.us

Molsather, Lawrence • Barr Engineering Company • Phone: (952) 832-2780 • Fax: (952) 832-2601
4700 W. 77th St. • Minneapolis, MN 55435-4803 • Email: lmolsather@barr.com

Oxley, Dave • Consulting Engineers Council of MN • Phone: (952) 593-5533 • Fax: (952) 593-5552
10201 Wayzata Blvd., Suite 240 • Mpls, MN 55305 • Email: doxley@cecm.org

Parker, Betsy • Mn Department of Transportation • Phone: • Fax: 395 John Ireland Blvd, Mail Stop 140 • St. Paul, MN 55155 • Email: Elizabeth.parker@dot.state.mn.us

Pickett, Heather • Minnesota Department of Administration • Phone: (651) 296-648 • Fax: (651) 297-5347
Administration Building • St. Paul, MN 55155 • Email: heather.pickett@state.mn.us

Pignato, Joe • Mn Department of Transportation • Phone: (651) 296-7018 • Fax: (651) 296-9868
395 John Ireland Blvd, MS 675 • St. Paul, MN 55155 • Email: joseph.pignato@dot.state.mn.us
Povich, Jim • Mn Department of Transportation • Phone: • Fax:
District 3A, Brainerd, MS 030, 1991 Industrial Park • Baxter, MN 56425 • Email:

Robinson, Michael • Mn Department of Transportation • Phone: (218) 723-4960 ext. 3003 • Fax: (218) 723-4774
District 1A, Duluth, MS 010, 1123 Mesaba Avenue • Duluth, MN 55811
Email: mike.robinson@dot.state.mn.us

Roetzel, Ron • Bolton & Menk, Inc. • Phone: (952) 890-0509 • Fax: (952) 890-8065
1515 Hwy. 13 East • Burnsville, MN 55337-2550 • Email: ronro@bolton-menk.com

Rohrbach, Gerry • Mn Department of Transportation • Phone: (651) 779-5590 • Fax: (651) 779-5616
395 John Ireland Blvd, MS 620 • St. Paul, MN 55155 • Email: gerryrhrbach@dot.state.mn.us

Samuelson, Scott • Yaggy Colby Associates • Phone: (507) 288-6464 • Fax: (507) 288-5058
717 Third Ave. SE • Rochester, MN 55904 • Email: Ssammuel@yaggy.com

Sands, Robert • Edwards and Kelcey, Inc. • Phone: (952) 345-4103 • Fax: (952) 835-7376
7401 Metro Blvd., #430 • Minneapolis, MN 55439 • Email: rsands@ekmail.com

Schreiner, Glenn • Short Elliott Hendrickson Inc. (SEH) • Phone: (651) 490-2159 • Fax: (651) 490-2150
3535 Vadnais Center Dr., 200 SEH Center • St. Paul, MN 55110 • Email: gschreiner@sehinc.com

Shannon, Keith • Mn Department of Transportation • Phone: (651) 747-2104 • Fax: (651) 747-2108
395 John Ireland Blvd, MS 610 • St. Paul, MN 55155 • Email: keith.shannon@dot.state.mn.us

Spannake, Dawn • Center for Transportation Studies • Phone: (612) 625-5829 • Fax: (612) 625-6381
200 Transportation and Safety Building, 511 Washington Avenue S.E. • Mpls, MN 55455-0375

Stembler, Paul • Minnesota Department of Administration • Phone: (651) 296-0498 • Fax: (651) 297-3996
Administration Building • St. Paul, MN 55155 • Email: paul.stembler@state.mn.us

Succio, Nelrae • Mn Department of Transportation • Phone: (507) 285-7374 • Fax: (507) 281-7780
District 6A, Rochester, MS 060, 2900 – 48th Street NW • Rochester, MN 55901
Email: nelrae.succio@dot.state.mn.us

Svensson, Val • Mn Department of Transportation • Phone: (651) 582-1481 • Fax: (651) 582-1308
Metro Division, MS 050, Waters Edge Building, 1500 West County Road B2 • Roseville, MN 55113
Email: val.svensson@dot.state.mn.us

Thakur, Mukhtar • Mn Department of Transportation • Phone: (651) 284-3993 • Fax: (651) 215-0443
395 John Ireland Blvd, MS 120 • St. Paul, MN 55155 • Email:

Thompson, Dawn • Mn Department of Transportation • Phone: (651) 296-3157 • Fax: (651) 282-5127
395 John Ireland Blvd, MS 680 • St. Paul, MN 55155 • Email: dawn.thompson@dot.state.mn.us

Thompson, Gary • Mn Department of Transportation • Phone: (651) 284-3502 • Fax: (651) 205-4526
395 John Ireland Blvd, MS 725 • St. Paul, MN 55155 • Email: gary.thompson@dot.state.mn.us

Trenda, Cheri • Center for Transportation Studies • Phone: (612) 625-5829 • Fax: (612) 625-6381
200 Transportation and Safety Building, 511 Washington Avenue S.E. • Mpls, MN 55455-0375
Email: trend001.CTSGWPO.CTSGW@cts.umn.edu

Trooen, Dave • Mn Department of Transportation • Phone: (320) 214-3681 • Fax: (320) 231-5168
District 8, Willmar, MS 080, 2505 Transportation Road, P.O. Box 768 • Willmar, MN 56201
Email: dave.trooen@dot.state.mn.us
**Vogel, Al** • Mn Department of Transportation • Phone:  • Fax:  
395 John Ireland Blvd, MS 470 • St. Paul, MN 55155 • Email: al.vogel@dot.state.mn.us

**Warner, Dave** • Parsons Brinckerhoff • Phone: (612) 677-1208 • Fax: (612) 371-4410  
510 - 1st Ave. North, #550 • Minneapolis, MN 55403 • Email: warner@pbworld.com

**Warzala, David** • Parsons Transportation Group, Inc. • Phone: (612) 370-2605 • Fax: (612) 332-6180  
111 Third Ave. South, #350 • Minneapolis, MN 55401 • Email: david.warzala@parsons.com

**Weiszhaar, Doug** • Mn Department of Transportation • Phone:  • Fax:  
395 John Ireland Blvd, MS 110 • St. Paul, MN 55155
Consultants & DOTs

Two Reports by David Witheford
Summarized by Hal Kassoff
for
Mn/DOT Workshop
October 22-24, 2000

Witheford Reports

1. NCHRP Synthesis 277
   “Consultants for DOT Preconstruction Engineering Work,” 1999

2. NCHRP 20-7 AASHTO/ACEC Task Force
   “Effective Use of Consultants by State DOTs” (Best Practices), 2000

NCHRP Synthesis 277

Consultants for DOT Preconstruction Engineering Work

David Witheford
1999

Survey

Responses From:
- 33 of 50 States
- 30 of 96 Consultants

Use of Consultants by DOTs

- Ten Years Ago, 1/5 Contracted 50% Plus
- Now Half the States Contract 50% or More
- Ten Years Ago Half Did 80% Plus in House
- Now 1/6 Do 80% or More in House

Changing Use of Consultants

<table>
<thead>
<tr>
<th>% Work by Consultants</th>
<th>15 Yrs. Ago (approx.)</th>
<th>10 Yrs Ago (approx.)</th>
<th>Reporting 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td>62</td>
<td>56</td>
<td>17</td>
</tr>
<tr>
<td>20-49</td>
<td>28</td>
<td>26</td>
<td>38</td>
</tr>
<tr>
<td>50-100</td>
<td>10</td>
<td>18</td>
<td>45</td>
</tr>
</tbody>
</table>
### 1998 Consultant Use By DOTs Preconstruction Engineering

<table>
<thead>
<tr>
<th>State</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>70%</td>
</tr>
<tr>
<td>Arkansas</td>
<td>40-45</td>
</tr>
<tr>
<td>California</td>
<td>15</td>
</tr>
<tr>
<td>Colorado</td>
<td>50</td>
</tr>
<tr>
<td>Connecticut</td>
<td>70</td>
</tr>
<tr>
<td>Florida</td>
<td>80</td>
</tr>
<tr>
<td>Georgia</td>
<td>25-30</td>
</tr>
<tr>
<td>Illinois</td>
<td>80%</td>
</tr>
<tr>
<td>Iowa</td>
<td>40</td>
</tr>
<tr>
<td>Kansas</td>
<td>60</td>
</tr>
<tr>
<td>Kentucky</td>
<td>73</td>
</tr>
<tr>
<td>Louisiana</td>
<td>50</td>
</tr>
<tr>
<td>Maryland</td>
<td>70</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>35</td>
</tr>
</tbody>
</table>

### Factors Influencing Use of Consultants

<table>
<thead>
<tr>
<th>Factors</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Limits</td>
<td>19</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Peak Load</td>
<td>17</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Spec Skills</td>
<td>6</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Legal/Policy</td>
<td>5</td>
<td>2</td>
<td>25</td>
</tr>
</tbody>
</table>

### Types of Contracts

<table>
<thead>
<tr>
<th>Percent Use</th>
<th>Lump Sum</th>
<th>Cost Plus FF</th>
<th>Unit Price</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-19</td>
<td>19</td>
<td>3</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>20-39</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>40-59</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>60-79</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>80-100</td>
<td>3</td>
<td>20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>32</td>
<td>16</td>
<td>12</td>
</tr>
</tbody>
</table>

### Elapsed Time from Ad to Notice to Proceed:

- Minimum: 7 weeks
- Maximum: 1 year
- Average: 6 months

### Comparative Cost Issue:

Unresolved!
Views from DOTs

- Consultants are Extensions of Staff
- Mutually Beneficial – Partners
- We Have No Choice
- Threat to Core Competency
- Danger of Raiding DOTs

Views from Consultants

- DOTs Don't Negotiate Well – Just Give the Bottom Line
- Over Half Object to Caps, One Third Had No Problem
- DOTs Need Better Trained Project Managers

NCHRP 20-7
AASHTO/ACEC Task Force
Best Practices Report

Effective Use of Consultants by State DOTs

David Witheford
February, 2000

Selected States

- Florida
- Michigan
- Utah
- Virginia
- Wisconsin

Efficiencies in Consultant Selection

- 1998 Survey Average: 6 months
- Selected States: 3-4 months

Efficiencies in Consultant Selection – Underlying Factors

- Prequalification
- Web Sites – ads, forms, document transfer
- Greater Use of On-Call Contracts
- Uniform Processing Across Districts/Divisions
- Simplifying Shortlisting Process
- Raising $ Limits Affecting Procedural Complexity
### Time Savings in Negotiation
- Removing Audit Reviews from Negotiation Stage
- Dividing Technical and Administrative Responsibilities Among Different Staff
- Approvals Within DOT Rather Than Outside

### Factors Affecting Consultant Selection

<table>
<thead>
<tr>
<th>Most Important</th>
<th>Least Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection Criteria</td>
<td>Letters of Interest</td>
</tr>
<tr>
<td>QBS/Cost Factors</td>
<td>Forms &amp; Documents</td>
</tr>
<tr>
<td>Selection Committee</td>
<td>Advertising</td>
</tr>
<tr>
<td>Pre-Qual Procedure</td>
<td>Selection</td>
</tr>
<tr>
<td></td>
<td>Announcement Process</td>
</tr>
</tbody>
</table>

### Factors Affecting Negotiations

<table>
<thead>
<tr>
<th>Most Important</th>
<th>Least Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity of Scope</td>
<td>Caps</td>
</tr>
<tr>
<td>Timeliness/Speed</td>
<td>Pre-Award Audits</td>
</tr>
<tr>
<td>Negotiation Skills</td>
<td>Documentation</td>
</tr>
<tr>
<td>Makeup of Team</td>
<td>Payment Method</td>
</tr>
</tbody>
</table>

### Factors Affecting Contract Management

<table>
<thead>
<tr>
<th>Most Important</th>
<th>Least Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liaison – DOT/Consult.</td>
<td>Dispute Resolution</td>
</tr>
<tr>
<td>Relationship</td>
<td>Acceptance Process</td>
</tr>
<tr>
<td>Project Manager Role</td>
<td>Payment/Retainage</td>
</tr>
<tr>
<td>Handling Changes</td>
<td>Progress Reporting</td>
</tr>
<tr>
<td>Evaluation Process</td>
<td>Training for DOT Staff &amp; Consultants*</td>
</tr>
</tbody>
</table>

### In Sum...
- Consultant Use by DOTs is Growing
- Processes Range From Efficient to Cumbersome
- Great Variation Among States
- Improvements are Evolving

### Postscript

... Advice and

Anecdotes...
Responses to Peak Work Load

- Increase Staff Size (ceilings, salaries, experience)
- Increase Consultant Use on Projects (core competencies, staff retention)
- Increase Task Order Consultant Use (requires more staff management)
- Program Management Consultants (maintaining control, transfer knowledge)

Program Management Approaches

- Staff Augmentation (OK)
- Major Project Management (MA, MO, MD, OH, TX, VA, etc.)
- Multi-Project Management (SC)

Responses to peaks should anticipate the inevitable valleys

Maryland Experience (1984-1996)

- Peak Program Level: Target minimum of 30% in-house workload (preserve core competency)
- Minimal Program Level: Target maximum of 70% in-house workload to 70% (preserve consultant viability)

From May, 2000 ACEC Meeting in Buffalo

- Vast majority of consultants favor DOTs retaining core competencies
- Consultants benefit from cross-over staff
- Consultants work more efficiently/effectively for knowledgeable client

Efficiency/Effectiveness in Consultant Use

- A streamlined, squeaky clean selection process
- Internal PM training in managing consultants
- Use lump sum where scope is clear
- Open & ongoing communication between DOT & CEC
Questions/Comments

Hal Kassoff
VP, Parsons Brinckerhoff
Washington, DC
202–783–0241
Kassoff@pbworld.com
Expediting the Delivery of Transportation Projects Process “As Is” – Statewide Perspective

Paul Stemberg
Assistant Director
Materials Management Division

Overall Context

- We are talking about Professional and Technical Services Contracts - M.S. § 16C.08, Subd. 1 -
  For purposes of this section, “professional or technical services” means services that are intellectual in
color, including consultation, analysis, evaluation, prediction, planning, programming, or recommendation,
and result in the production of a report or the completion of a task.
- We are NOT talking about construction contracts, contracts for goods or other services

Statutory Context

- M.S. § 16A.15, Subd. 3 (a) -
  A payment may not be made without prior obligation.
- M.S. § 16C.03, Subd. 3-
  The commissioner of administration shall acquire all goods, services and utilities needed by agencies.
- M.S. § 16C.03, Subd. 4 -
  The commissioner of administration shall conduct all contracting by, for, and between agencies and perform all
  contract management and review functions for contracts,

Statutory Context

- M.S. § 16C.05, Subd. 2 (a) -
  A contract is not valid and the state is not bound by it unless:
  (1) it has first been executed by the head of the agency or a delegate who is a party to the contract;
  (2) it has been approved by the commissioner of administration;
  (3) it has been approved by the attorney general or a delegate as to form and execution;
  (4) the accounting system shows an obligation in an expense budget or encumbrance for the amount of the contract liability;
  and
  the combined contract and amendments shall not exceed five years, unless otherwise provided for by law.

Statutory Context

- M.S. § 16C.08, Subd. 2 -
  Before an agency may seek approval of a professional or technical services contract valued in excess of $5,000, it must certify to the that:
  - No current state employee is able and available to perform the services called for in the contract;
  - The normal competitive bidding mechanisms will not provide for adequate performance of the services;
  - The contractor has certified that the product of the services will be original in character;
  - Reasonable efforts were made to publicize the availability of the contract to the public;

Statutory Context

- M.S. § 16C.08, Subd. 2 (cont’d) -
  the agency has received, reviewed, and accepted a detailed work plan
  from the contractor for performance under the contract, if applicable;
  the agency has developed, and fully intends to implement a written plan
  providing for the assignment of specific agency personnel to a
  monitoring and liaison function, the periodic review of interim reports
  or other indications of past performance, and the ultimate utilization of
  the final product of the services; and
  the agency will not allow the contractor to begin work before funds are
  fully encumbered.
Statutory Context

- M.S. § 16C.08, Subd. 3 -
  Before approving a proposed contract for professional or technical services, the commissioner [of Administration] must determine, at least that:
  - all provisions of subd. 2 and 16C.16 have been verified or complied with;
  - the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities and there is statutory authority to enter into the contract;
  - the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;
  - the contractor and agents are not employees of the state;

- M.S. § 16C.05, Subd. 5 -
  A professional or technical services contract must by its terms permit the commissioner [of Administration] to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the commissioner [of Administration] determines that further performance under the contract would not serve agency purposes.
  - The terms of a contract must provide that no more than 90 percent of the amount due under the contract may be paid until the final product has been reviewed by the head of the agency entering into the contract and the head of the agency has certified that the contractor has satisfactorily fulfilled the terms of the contract, unless specifically excluded in writing by the commissioner [of Administration].

- M.S. § 16C.04, Subd. 1 and 2 -
  An employee of the executive branch involved directly or indirectly in the acquisition process, at any level, is subject to the code of ethics in section 43A.18.
  - (a) The commissioner [of Administration] must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees involved in the acquisition of goods, services, and utilities. The policies must apply to employees who are directly or indirectly involved with the acquisition of goods, services, and utilities, developing requests for proposals, evaluating bids or proposals, awarding the contracts, selecting the final vendor, drafting and entering into the contract, evaluating performance under these contracts, and authorizing payments under the contract.


Statutory Context

- M.S. § 16C.08, Subd. 3 (cont'd) -
  - no agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract;
  - the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; and
  - the combined contract and amendments will not exceed five years, unless otherwise provided for by law. The term of the original contract must not exceed two years unless the commissioner [of Administration] determines that a longer duration is in the best interest of the state.

Statutory Context

- M.S. § 16C.03, Subd. 5 -
  The commissioner [of Administration] shall, in addition to the duties set forth in subd. 3 and 4, make all decisions regarding amendments, cancellations, and appeals of all agency acquisition activities . . .

Statutory Context

- M.S. § 15.061 -
  Pursuant to the provisions of sections 16C.03 and 16C.08, the head of state department or agency may, with the approval of the commissioner of administration, contract for professional or technical services in connection with the operation of the department or agency.
Statutory Context - MnDOT

- M.S. § 161.315, Subd. 1 -
  Recognizing that the preservation of the integrity of the public contracting process of the department of transportation is vital to the development of a balanced and efficient transportation system and a matter of interest to the people of the state, the legislature hereby determines and declares that:
  - the procedures of the department for bidding and awarding department contracts exist to secure the public benefits of free and open competition and to secure the quality of public works;
  - the opportunity to be awarded department contracts or to supply goods or services to the department is a privilege, not a right; and
  - the privilege of transacting business with the department ... should be denied to persons convicted of a contract crime in order to preserve the integrity of the public contracting process.

Where Does That Come From?

- Publicizing RFPs over $25,000?
  M.S. § 16C.06, Subd. 1 - Notice of solicitations for acquisitions estimated to be more than $25,000 must be published in a manner designated by the commissioner [of Administration]. And
  M.S. § 16C.07 (which reads in part) - Before an agency may seek approval of a professional or technical services contract valued at a total cost in excess of $25,000, it must certify to the commissioner [of Administration] that it has publicized the contract by posting notice at appropriate worksites ... when possible, this posting should be done electronically.
  Read together, these two requirements are more than adequately met by publishing an announcement of the RFP in the State Register.

Number of Documents and Dollar Value

<table>
<thead>
<tr>
<th>Agency</th>
<th>Contracts</th>
<th>Value</th>
<th>Avg Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>4,640</td>
<td>$156,381,834</td>
<td>$33,919</td>
</tr>
<tr>
<td>MnDOT</td>
<td>900</td>
<td>$269,765,868</td>
<td>$299,673</td>
</tr>
<tr>
<td>MnDOT Rep</td>
<td>19.4% of</td>
<td>$299,676,026</td>
<td>78,523</td>
</tr>
<tr>
<td>All Other</td>
<td>3,740</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DNR</td>
<td>699</td>
<td>$9,183,037</td>
<td>13,336</td>
</tr>
<tr>
<td>Admin</td>
<td>660</td>
<td>$48,911,401</td>
<td>$73,411</td>
</tr>
<tr>
<td>DIS</td>
<td>433</td>
<td>$42,900,247</td>
<td>$98,153</td>
</tr>
<tr>
<td>Corr</td>
<td>339</td>
<td>$17,667,789</td>
<td>$52,171</td>
</tr>
<tr>
<td>HESO</td>
<td>30</td>
<td>$7,091,044</td>
<td>$236,358</td>
</tr>
</tbody>
</table>

How Long Does It Take Admin to Sign

<table>
<thead>
<tr>
<th>Agency</th>
<th>Read &amp; Sign</th>
<th>Back At Agency</th>
<th>Actual Sign</th>
<th>Returned</th>
<th>% Returned</th>
<th>Length Days Back</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>352</td>
<td>7.6%</td>
<td>82</td>
</tr>
<tr>
<td>MnDOT</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>142</td>
<td>15.8%</td>
<td>82</td>
</tr>
<tr>
<td>All Other</td>
<td>5</td>
<td>0</td>
<td>4</td>
<td>210</td>
<td>5.6%</td>
<td>72</td>
</tr>
<tr>
<td>DNR</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td>26</td>
<td>3.7%</td>
<td>48</td>
</tr>
<tr>
<td>Admin</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>15</td>
<td>2.3%</td>
<td>30</td>
</tr>
<tr>
<td>DIS</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>27</td>
<td>6.2%</td>
<td>34</td>
</tr>
<tr>
<td>Corr</td>
<td>7</td>
<td>0</td>
<td>6</td>
<td>24</td>
<td>7.1%</td>
<td>24</td>
</tr>
<tr>
<td>HESO</td>
<td>7</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td>20%</td>
<td>14</td>
</tr>
</tbody>
</table>
### Performance Measure – Contracts NOT Signed

**[In Working Days]**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>790 / 17%</td>
<td>1,542 / 60.8%</td>
<td>226 / 95.1%</td>
<td>15 / 99.7%</td>
<td>4 / 99.9%</td>
</tr>
<tr>
<td>MnDOT</td>
<td>189 / 21%</td>
<td>88 / 90.2%</td>
<td>9 / 99%</td>
<td>3 / 99.7%</td>
<td>3 / 99.7%</td>
</tr>
<tr>
<td>All Other</td>
<td>429 / 14.8%</td>
<td>1,179 / 59.0%</td>
<td>137 / 95.3%</td>
<td>6 / 99.8%</td>
<td>0 / 100%</td>
</tr>
<tr>
<td>DNR</td>
<td>30 / 5.4%</td>
<td>465 / 33.5%</td>
<td>16 / 97.2%</td>
<td>1 / 99.8%</td>
<td>1 / 99.8%</td>
</tr>
<tr>
<td>Admin</td>
<td>155 / 23.5%</td>
<td>135 / 79.6%</td>
<td>39 / 94.3%</td>
<td>0 / 100%</td>
<td>0 / 100%</td>
</tr>
<tr>
<td>DHS</td>
<td>54 / 12.5%</td>
<td>138 / 68.1%</td>
<td>16 / 96.3%</td>
<td>1 / 99.8%</td>
<td>0 / 100%</td>
</tr>
<tr>
<td>Corr</td>
<td>9 / 2.7%</td>
<td>220 / 35.1%</td>
<td>43 / 97.3%</td>
<td>0 / 100%</td>
<td>0 / 100%</td>
</tr>
<tr>
<td>HESO</td>
<td>4 / 1.3%</td>
<td>14 / 53.3%</td>
<td>7 / 78.7%</td>
<td>1 / 96.7%</td>
<td>0 / 100%</td>
</tr>
</tbody>
</table>

### How Long Does the Process Take?

**[In Working Days]**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Overall Average</th>
<th>If Positive (Rac’d Before Start Date)</th>
<th>If Negative (Rac’d After Start Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>-15 / 2,179</td>
<td>2 / 977</td>
<td>-13 / 1,117</td>
</tr>
<tr>
<td>MnDOT</td>
<td>-24 / 327</td>
<td>9 / 94</td>
<td>-38 / 226</td>
</tr>
<tr>
<td>All Other</td>
<td>-14 / 1,852</td>
<td>2 / 883</td>
<td>-11 / 891</td>
</tr>
<tr>
<td>DNR</td>
<td>-77 / 115</td>
<td>1 / 35</td>
<td>-3 / 80</td>
</tr>
<tr>
<td>Admin</td>
<td>-5 / 307</td>
<td>3 / 188</td>
<td>-4 / 86</td>
</tr>
<tr>
<td>DHS</td>
<td>-9 / 218</td>
<td>1 / 116</td>
<td>-7 / 98</td>
</tr>
<tr>
<td>Corr</td>
<td>-12 / 267</td>
<td>7 / 148</td>
<td>-10 / 116</td>
</tr>
<tr>
<td>HESO</td>
<td>-35 / 23</td>
<td>2 / 11</td>
<td>-34 / 11</td>
</tr>
</tbody>
</table>

---

Paul Stembler  
Assistant Director  
Materials Management Division  

651.296.0498  
paul.stembler@state.mn.us
Expediting the Delivery of Transportation Projects:

New Roles for Mn/DOT and the Consulting Industry

October 22 - 24, 2000
PROCESS FOR CONTRACTING PROFESSIONAL/TECHNICAL SERVICES THROUGH THE CONSULTANT SERVICES UNIT

PURPOSE:

To document contracting procedures used for Professional/Technical (P/T) services under Minnesota State Statutes, Federal Laws and their respective policies and procedures for State funded, Federally Aided, and State Aided Contracts.

BACKGROUND:

The Minnesota Department of Transportation (Mn/DOT) contracts for P/T services using both state and federal funds and has developed these procedures to meet all the federal and state requirements.

Mn/DOT procedures are in compliance with Minnesota Statutes, Minnesota Department of Administration Policy and Contracting Manual and its amendments, other Department of Administration policies and procedures, Mn/DOT policies, Mn/DOT Technical Memoranda, Code of Federal Regulations Title 4 – Contract Cost Principles and Procedures, Federal Acquisition Regulation 172.7, and Title IX of the Federal Property and Administrative Services Act of 1949 and its 1972 amendment (commonly known as the “Brooks Bill”).

PROCESS:

I. Overall System – General Process

The general process describes all the steps that a project may have to go through to establish and administer a contract. A major investment project contract, sometimes called a “project specific” contract follows all of these steps. Methods of contracting with reduced time are described in sections II through VI.

CATEGORIES OF CONTRACTING PROCESSES

- **General Process**
- **Major investments (project specific) over $25,000**
- **Minor investments (project specific) $5,000 - $25,000**
- **Contract Programs**
  - T-Contracts
  - Certified Lists
- **Sole/Single Source Selection**
Description of Steps:

**Requisition for contracted services** – Requests for Professional/Technical (P/T) services are initiated by a project manager by completing a Requisition form and a written scope of services, and submitting it to the Office’s or District’s consultant coordinator, who forwards it to the Consultant Services Unit (CSU). This form is required by CSU for all contracts.

**Contract Certification** – A CSU contract administrator prepares a contract certification form and supporting materials consisting of a draft request for proposal (RFP) and a draft public notice (advertisement). Approvals of the Contract Certification form are made by the Consultant Services Unit, the Program Support Group Director, the Office of Contract Administration and by the Department of Administration. This form is required by the Department of Administration for all contracts valued at over $5,000.

**Public Notice/Advertisement** – Projects are advertised in the State Register, both in a paper version and on the Internet usually for a minimum of 21 days. Courtesy ads may be placed in both Twin City major newspapers.

**Request for Proposal (RFP)** – Contractors, upon request to CSU, are mailed a detailed RFP. They may request an RFP in response to a Mn/DOT advertisement or RFPs may be directly mailed to Contractors who possess the desired expertise and are on a Certified list. (See Section III)

**Proposal Review and Selection** – The 1998 Minnesota State Legislature revised the existing P/T contracting statutes and established, by statute, P/T contractor selection procedures that are to be based on “best value.” (Minnesota Statute Section 16C.06 Subdivision G) Best value requires that cost be a consideration for selection along with other qualifications-based factors. In response to RFPs, proposals are prepared and submitted by contractors to the CSU. The proposal includes two parts: 1) a qualification and/or technical proposal and 2) a separately sealed cost proposal. Proposals must be submitted within a strictly defined time period as defined in the RFP. The CSU contract administrator sets up and facilitates the selection process. Copies of each proposal are sent to selection committee members for review and individual scoring against qualification and technical criteria. At a meeting of the selection committee, consensus is reached on the most qualified proposals (usually three). Cost proposals are then factored in as 20% of the final rating for each proposal. The proposal which provides the best value of qualifications and cost factors is selected by the committee. The selected contractor is recommended for approval by the Deputy Commissioner and Chief Engineer.
Pre-Award Audit – Pre-award audits are required for contracts with estimated values of more than $50,000 and may be performed for those contracts under $50,000 if the State deems it necessary to determine acceptability of the cost rates proposed. The Mn/DOT Audit Section reviews the selected proposal and makes financial recommendations that may affect the negotiation process. Audits review the consultant accounting system, consultant justification for the rates charged to perform work and consultant awareness of FHWA requirements.

Negotiation – The Mn/DOT contract administrator and project manager negotiate with the contractor to finalize technical requirements and cost factors of the contract. Factors to be negotiated could include the scope of services, deliverables, time schedules and price adjustments. Adjustments to services proposed and prices are determined and agreed upon. If agreement is not reached, negotiations are discontinued and the next highest ranked contractor is considered.

Contract Writing and Execution – The contract administrator writes a contract based on the proposal and negotiations. The contract is executed when the proper Mn/DOT, contractor, Attorney General’s Office and Department of Administration signatures are on the contract.

Monitoring – The contract progress is monitored until completion from two perspectives. The project manager is accountable for managing the technical terms and conditions of the contract. This includes specific work performance, schedule, personnel involved, deliverable acceptance, recommendation for payment and initiation of contract amendment requests. The contract administrator manages the non-technical aspects of the contract such as reviewing progress reports and invoices, paying invoices, processing amendments and coordination with the project manager and contractor.

Evaluation & Final Payment – When the final contract deliverables are submitted and meet the satisfaction of the project manager, he/she reviews the deliverables, and if acceptable, completes and forwards the final payment approval form to the CSU. The contract administrator checks the final products and invoices, obtains signature on the form and processes final payment to the vendor. The project manager and contract administrator evaluate contractor performance regarding the aspects of the contract which they respectively managed. The Contract Administrator, Project Manager and Contractor participate in a project close out meeting to review the project and share feedback. Evaluations are kept in the CSU and used for contractor feedback and input to future contractor selection.

Final Audit Certification. – Data on the final products of the contract and the final invoices of the contractor are submitted to the Audit Section for final audit certification. Audit results may cite areas for an adjustment or may approve the final payment that was made. The CSU administrator may also make a judgement and adjust the final payment. Lump sum payment type contracts do not require a final audit certification.

Negotiation – CSU and the contractor will resolve the audit citation issues, if possible. Otherwise, the audit policy provides for a dispute resolution process.

Close Out – Upon final audit certification the contract administrator file the contract. Completed files on the project are maintained by the CSU. Minnesota Statutes require that for all P/T contracts in excess of $40,000, the Commissioner of Transportation must submit to the Commissioner of Administration a one page report upon close out (Commissioner’s Certification).
II. Project Specific Contract Values from $5,000 - $25,000

For projects with contract values between $5,000 and $25,000, three contractors, qualified to do this kind of work need to be invited to submit proposals. In this case, RFPs may be sent directly to the three possible contractors with no further advertising required.

PROCESS FOR CONTRACTS VALUED AT $5,000 - $25,000

[Diagram showing the process steps]

III. Certified Lists

A certified list program is a form of contracting process in which contractors are pre-certified as qualified to perform specific types of technical services (such as landscape architectural services). Certified lists are used for relatively small projects for a specific period of time (usually 2 years, with the possibility of three one-year extensions). To establish a certified list, Mn/DOT estimates the amount of the specific type of work that the department will contract for the life of the certified list. The RFP for establishing a certified list asks the contractor to present a proposal stating the firm’s qualifications to do the type of work specified. A sufficient number of contractors to meet the anticipated workload are certified.

PROCESS TO ESTABLISH A CERTIFIED LIST

[Diagram showing the process steps]

12 weeks

When a project manager defines a project to be accomplished through a certified list, a project specific RFP is sent to the contractors on the list. They may then submit a proposal to do the work on that project.
IV. Master Contracts (T-Contracts)

Master Contracts (T-Contracts) are programs established for a particular type of P/T service, over a period of time, usually three years or until the master contract amount has been used up. T-Contract programs are intended to provide a means for Mn/DOT project managers to enter into contracts for smaller or routine projects more efficiently, and save significant time in the process. A T-Contract program secures a number of contractors to do a certain type and size of project with Mn/DOT. In the proposal the contractor is expected to present the firm’s qualifications to do the type of work required and provide a technical and cost proposal for a sample project. As a project is identified which needs the specified type of services within the master contract, Mn/DOT writes a work order (specific contract) with the contractor to provide the services. The Department of Administration requires that work be equally distributed among all of the contractors selected. To meet this requirement, Mn/DOT has established a procedure wherein work orders are rotated among all contractors in turn. Under certain, approved conditions, a contractor may receive a work order out of turn. This process is more easily understood by using an example:

In 1998 Mn/DOT established a T-Contract program for Detail Design services. About 25 T-Contracts were executed for $750,000 for a 3 year period (or until used up). Each district has a list of 4 to 7 contractors who are contracted with in a rotational order. When a district needs detail design services for a value of $100,000 or less, they may choose to use the T-Contract program by requesting CSU to execute a work order with the next contractor in the rotation order of the 4 to 7 contractors assigned to that district. T-Contract programs may also be set up with one rotation list to be used by all Districts.
V. Project Specific Single Source Selection

Under certain criteria, a contractor may be selected as a single source. These are any one of the following:

A. Direct Select a project with a contract value which is under $5,000. Contracts under $5000 in value do not need to be certified to the Department of Administration.

B. Direct Select a project which is contracted through a certified list (see Certified Lists, Section III) in which there is a provision to directly select a contractor for contract values that do not exceed an amount specified when the certified list program is established. For example, in the current certified list program for market research, a contractor may be selected directly for contracts under $50,000.

C. Mn/DOT determines that there is a special need to select a certain contractor. This determination must be justified in writing and requires concurrence of the Department of Administration pursuant to statutory requirements. Requirements are that the contractor is the only reasonable source of the services and that the contract is in the best interest of the State.
VI. Contract Amendments

Contract amendments are usually generated by Mn/DOT or the contractor identifying additional tasks, time etc. needed outside the terms of the contract but within the scope of the original contract. Amendments to contracts are written and executed for additional work of the same type as in the original contract. Amendments are not written for new types of work. This would require a new contract. For example, if an original scope showed two meetings or public hearings and a new special interest group arose and required another public hearing, the contract could be amended to three meetings.

This is reviewed and agreed to by the Mn/DOT Project Manager. A requisition for an amendment is then forwarded to the contract administrator for contract amendment according to the process shown above.

AMENDMENT PROCESS

[Diagram showing the process: Requisition For Amendment → Negotiation → Amendment Writing & Execution]
<table>
<thead>
<tr>
<th>Program</th>
<th>Start Date</th>
<th>End Date</th>
<th>Master contract Value</th>
<th>No. Firms on Progr</th>
<th>Max Work Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic T-Contracts</td>
<td>7/98</td>
<td>6/30/01</td>
<td>475K</td>
<td>7</td>
<td>No Max</td>
</tr>
<tr>
<td>Visualization T-Contracts</td>
<td>6/98</td>
<td>6/30/01</td>
<td>200K</td>
<td>3</td>
<td>No Max</td>
</tr>
<tr>
<td>Land Surveys T-Contracts</td>
<td>12/98</td>
<td>12/31/02</td>
<td>50K - 333K</td>
<td>22</td>
<td>No Max</td>
</tr>
<tr>
<td>Material Testing T-Contracts</td>
<td>11/99</td>
<td>11/01/02</td>
<td>200K - 750K</td>
<td>11</td>
<td>150K</td>
</tr>
<tr>
<td>Detail Design T-Contracts</td>
<td>9/98</td>
<td>*9/1/01</td>
<td>1.5M</td>
<td>24</td>
<td>500K</td>
</tr>
<tr>
<td>Preliminary Design T-Contracts</td>
<td>1/99</td>
<td>*1/1/02</td>
<td>1.5M</td>
<td>21</td>
<td>500K</td>
</tr>
<tr>
<td>Pipe Inspection T-Contracts</td>
<td>6/98</td>
<td>6/30/01</td>
<td>190K - 310K</td>
<td>4</td>
<td>No Max</td>
</tr>
<tr>
<td>Transportation Planning T-Contracts</td>
<td>11/00</td>
<td>*8/31/02</td>
<td>25M Program</td>
<td></td>
<td>No Max</td>
</tr>
<tr>
<td>Landscape Architect T-Contracts</td>
<td>11/98</td>
<td>11/01</td>
<td>290K</td>
<td>8</td>
<td>No Max</td>
</tr>
<tr>
<td>Environmental Investigation T-Contracts **</td>
<td>3/98</td>
<td>6/01</td>
<td>250K - 500K</td>
<td>18</td>
<td>No Max</td>
</tr>
<tr>
<td>Asbestos Abatement T-Contracts **</td>
<td>1/98</td>
<td>12/31/00</td>
<td>75K - 250K</td>
<td>7</td>
<td>No Max</td>
</tr>
<tr>
<td>Architectural Design Certified List</td>
<td>7/99</td>
<td>6/30/02</td>
<td>3M Program</td>
<td>27</td>
<td>No Max</td>
</tr>
<tr>
<td>Cultural Resource Certified List</td>
<td>12/98</td>
<td>11/30/01</td>
<td>4M Program</td>
<td>12</td>
<td>No Max</td>
</tr>
<tr>
<td>Toxicity / Analytical Testing T-Contracts</td>
<td>1/99</td>
<td>1/14/02</td>
<td>500K</td>
<td>2</td>
<td>No Max</td>
</tr>
<tr>
<td>Bridge Design Certified List</td>
<td>7/99</td>
<td>6/30/01</td>
<td>4M Program</td>
<td></td>
<td>300K/Contract</td>
</tr>
<tr>
<td>Mapping T-Contracts</td>
<td>9/99</td>
<td>6/28/02</td>
<td>500K</td>
<td>6</td>
<td>No Max</td>
</tr>
<tr>
<td>Aerial Photo T-Contracts</td>
<td>3/00</td>
<td>*1/31/01</td>
<td>400K</td>
<td>3</td>
<td>No Max</td>
</tr>
<tr>
<td>Fee Appraiser T-Contracts</td>
<td>7/99</td>
<td>7/1/02</td>
<td>210K - 1M</td>
<td>36</td>
<td>No Max</td>
</tr>
<tr>
<td>Title Attorney Certified List</td>
<td>1/00</td>
<td>12/30/02</td>
<td>600K Program</td>
<td>26</td>
<td>No Max</td>
</tr>
<tr>
<td>Team Transit Certified List</td>
<td>7/79</td>
<td>6/00</td>
<td>5M Program</td>
<td>4</td>
<td>No Max</td>
</tr>
<tr>
<td>Public Relations / Advertising Cert List</td>
<td>9/98</td>
<td>8/02</td>
<td>3M Program</td>
<td>17</td>
<td>No Max</td>
</tr>
<tr>
<td>Market Research Certified List</td>
<td>9/98</td>
<td>8/02</td>
<td>3M Program</td>
<td>12</td>
<td>No Max</td>
</tr>
<tr>
<td>Mechanic Training T-Contracts</td>
<td>7/00</td>
<td>5/1/03</td>
<td>225K</td>
<td>10</td>
<td>No Max</td>
</tr>
<tr>
<td>R/W Assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SCOPING</td>
</tr>
<tr>
<td>Restoration &amp; Management Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PENDING</td>
</tr>
</tbody>
</table>

* With option to extend  
** Re-establishing soon
Process Improvement Efforts

- Partnering and Communicating
  - CEC
  - Consultant Advisory Committee
  - Admin
  - PCMG/CMG
  - Annual Meeting
  - Publishing Projects/Program

- Innovative Contracting
  - T-Contract and other programs established
  - T-Contract/ Other program improvements
    ⇒ Raised limits
    ⇒ Direct selection clauses
    ⇒ Signature/review process
    ⇒ Grouping RFP's

- Streamlining
  - Insurance
  - General Terms and Conditions
  - New forms, clearer language
  - Database, accounting spreadsheets
  - Retainage
  - Legislation
Trends in Consultant Contracts

# of Consultants as of 1/99

- Full List: 165 consultants

- Some major categories:
  - Architectural: 63 contractors
  - Design: 66 contractors
  - Environmental: 86 contractors
  - Land Management: 41 contractors
  - Materials: 54 contractors
  - Planning: 64 contractors
  - Pre-Design: 67 contractors
  - Surveys: 69 contractors
  - Traffic: 42 contractors
  - Water Resources: 76 contractors
  - Cultural Resources: 31 contractors
### Executed Contracts

<table>
<thead>
<tr>
<th></th>
<th>FY98</th>
<th>FY99</th>
<th>FY00</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP's</td>
<td>70</td>
<td>158</td>
<td>260</td>
</tr>
<tr>
<td>Amendments</td>
<td>24</td>
<td>59</td>
<td>157</td>
</tr>
<tr>
<td>Workorders</td>
<td>114</td>
<td>287</td>
<td>328</td>
</tr>
<tr>
<td>Totals</td>
<td>208</td>
<td>504</td>
<td>745</td>
</tr>
</tbody>
</table>

### Contract Payments

<table>
<thead>
<tr>
<th></th>
<th>FY98</th>
<th>FY99</th>
<th>FY00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments Made</td>
<td>$14,157,421</td>
<td>$21,148,436</td>
<td>$31,208,158</td>
</tr>
<tr>
<td># of Invoices</td>
<td>1,197</td>
<td>1,606</td>
<td>1,986</td>
</tr>
<tr>
<td># of Contracts Closed</td>
<td>181</td>
<td>406</td>
<td>563</td>
</tr>
</tbody>
</table>
Project Development Process

Presented by CEC/M
October 2000

Two Primary Processes in the Consultant Project Development Process

- Proposal preparation
  - work done within consultant offices
  - little MnDOT interaction during process
- Project Delivery
  - follows MnDOT project delivery process
  - close coordination with MnDOT throughout the project life

Proposals - A Misunderstood Process?

“If I had known what went into these proposals, I would have looked at them differently when I was at MnDOT. The amount of thought and effort that goes into the preparation of every diagram, chart and paragraph in each proposal is phenomenal. I knew proposals were a lot of work, but helping to prepare several certainly has given me a new perspective.”

Former MnDOT Principal Engineer - Detail Design

Proposal Preparation Process is a “Black Hole” to Many

Proposal / Scope of Services

“Go” vs. “No-Go” Decision

- Current workload and cost/size of effort
- What do we know about the project?
- What other projects are coming?
- Has there been pre-work and if so, who did it?
- What is the potential for profit?
- Potential for future work

Proposal is a Go! What Now?

- Review the RFP format & requirements
- Assemble the team
- Interview the PM
- Assign tasks
  - Project Understanding
  - Scope and Approach
  - Experience
  - Resumes & Org Chart
  - QA/QC
  - Fees and Expenses
Proposals - At What Cost?

- Approximately 40 RFPs in last 2 months
- Assume each RFP has 6 responses
- "Average" proposal takes 80 - 100 hrs
- About half of proposal preparation time is by engineers

9,600 - 12,000 hours of engineering production lost in last 2 months!

Proposal Keys

- **What other projects are coming?**
  - The best decisions regarding staffing, workload and project "fit" could be made if long-range information about consultant projects was available.
- **Interview the PM**
  - Restricting interviews to a single contact may actually skew, rather than level the playing field.

Proposal Keys

- **Review the RFP format & requirements**
  - The format of RFPs often varies and requires time-consuming changes from proposal to proposal.
  - Following the identified Scope of Services may restrict innovation.
  - Many consultants preparing the same project Scope and Costs is inefficient.
  - The technical and financial selection process requires significant effort and costs. Is this process really best value?

Project Delivery is Entwined with the MnDOT Processes

- Getting under contract costs time and $$.
- Communication is a key to success.
- Projects can be more difficult to complete when we only have part of work.
- Delivery of quality products is the goal.

Project Delivery - Getting Started

- Prepare final Scope of Services and Fee Schedule.
- Contract process can take months.
- Set up reporting and invoicing processes and forms.
- Identify PM "Level of Comfort" and create reporting schedule and form.

Project Delivery - Getting the Work Done

- Working with one Project Manager with proper authority can expedite projects.
- Assigning the whole project to the consultant can speed delivery.
- Agency reviews can bog the project down and cause schedule slips.
- Supplemental Agreements and contract addendums can be slow.
Project Delivery - Reviews and Quality Checks

- Identify the proper reviews to keep the project moving.
- Get the “Milestone” reviews to help eliminate confusion and delays.
- Define what level of quality is required.
  - What is a “buildable” plan set?
  - CADD Standards vs. preferences.

Summary of the Consultant Project Development Process

- Proposal Preparation
  - preparation is time consuming and expensive
- Project Delivery
  - can be cumbersome and frustrating
- Overall
  - we’re professionals who take pride in our work and are extremely proud of our transportation systems
Wisconsin’s Consultant Program
1985 - Present

Wisconsin DOT

<table>
<thead>
<tr>
<th>Divisions</th>
<th>Staff Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary/Executive Offices</td>
<td>50</td>
</tr>
<tr>
<td>State Patrol</td>
<td>700</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>925</td>
</tr>
<tr>
<td>Business Management</td>
<td>325</td>
</tr>
<tr>
<td>Investment Management (statewide planning, programming &amp; financing)</td>
<td>150</td>
</tr>
<tr>
<td>Infrastructure Development (policies/standards, process, technical expertise and training)</td>
<td>375</td>
</tr>
<tr>
<td>Districts (district planning, projects, operations)</td>
<td>1,400, 3,925</td>
</tr>
</tbody>
</table>

WisDOT Consultant Process

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant Pre-Qualification</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Identify Consultant Needs</td>
<td>Districts</td>
</tr>
<tr>
<td>Project Solicitations</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Consultant Selection</td>
<td>District Project Mgr (180)</td>
</tr>
<tr>
<td>Selection Review and Approval</td>
<td>Statewide Consulting Engr</td>
</tr>
<tr>
<td>Project Scoping and Negotiations</td>
<td>District Project Mgr</td>
</tr>
<tr>
<td>Project Negotiations over $400,000</td>
<td>District &amp; Statewide Consulting Engr</td>
</tr>
<tr>
<td>Contract Review and Administration</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Contract Approval over $3,000</td>
<td>Governor</td>
</tr>
<tr>
<td>Contract Monitoring/Managing/Evaluating</td>
<td>District Project Mgr</td>
</tr>
</tbody>
</table>

WisDOT Solicitations

DOT solicits for interest on regular basis.

Σ Monthly solicitations on the internet for design.

Σ Once a year for construction - construction fair.

Σ Every two years for Full Service Design Master Contacts

Σ Annual design opportunity interviews.
Procurement Regulations for Professional Engineering Services

- Design Contracts - 74% are Federally Funded
- Construction Management Contracts - 87% are Federally Funded
- Follow Federal IBrooks Billi and Federal Audit Regulations
- Contracts over $3,000 need Governor's Approval

Methods of Payments for Contracts

- Lump Sum: 51%
- Actual Cost plus Fixed Fee: 48%
- Cost per Unit of Work: 1%
- Specific Rate of Compensation: Very Few

Range of Consultant Services

<table>
<thead>
<tr>
<th>State Programs</th>
<th>% of Consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design (corridor studies, preliminary and final design)</td>
<td>28%</td>
</tr>
<tr>
<td>Construction Management</td>
<td>25%</td>
</tr>
<tr>
<td>Full Service Design an Construction</td>
<td>12%</td>
</tr>
<tr>
<td>Master Contracts</td>
<td></td>
</tr>
<tr>
<td>Statewide and District Specialty Contracts</td>
<td>7%</td>
</tr>
<tr>
<td>Local Program</td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td>14%</td>
</tr>
<tr>
<td>Construction Management</td>
<td>13%</td>
</tr>
<tr>
<td>Local Program Management</td>
<td>1%</td>
</tr>
</tbody>
</table>

Split Between WisDOT Staff and Consultants

- Consultant Proportion of Engineering Work in 1997
  - 35% of design
  - 40% of construction management
- Current Consultant Proportion of Engineering Work
  - 50% of design
  - 50% of construction management
- Eligible Roster = 150
- Active Consultant Firms = 85

Partnering Efforts Started in 1992

- Effort to improve relationship
- Two-day effort with 15 consultants and 15 DOT people
- Issue identification exercise was key

Partnering Efforts (continued)

<table>
<thead>
<tr>
<th>DOT</th>
<th>Consultants</th>
</tr>
</thead>
<tbody>
<tr>
<td>What actions do consultants do that create problems for us</td>
<td>What actions does the DOT do that create problems for us</td>
</tr>
<tr>
<td>M = N = E</td>
<td>M = N = E = issues</td>
</tr>
<tr>
<td>What actions do we do that we know create problems for consultants.</td>
<td>What actions do we do that we now create problems for the DOT.</td>
</tr>
</tbody>
</table>
Partnering Efforts (continued)

- Resulted in Partnering Charter
  - Communication/Relationship Objectives
  - Performance Objectives
  - Conflict Resolution System

WisDOT/WACE Partnering Charter

Partnering Efforts (continued)

- Resulted in formation of standing partnering team of four consultants and four DOT people
- Worked on key issues (matches), resulting from larger partnering efforts
  - Conflict Resolution -- developed consistent process to resolve conflict and published in design manual

Partnering Efforts (continued)

- How we do business -- dealt with issues like errors and omissions, insurance, getting DOT and consultant staff to a common understanding of overhead, FAR regulations, etc., and streamlined consultant interview process.
- Performance Objectives -- developed a checklist for reviewing consultant projects and created new consultant evaluation forms.
- Communications -- involved consultants on DOT teams/committees and invited consultants to annual design, construction and DBE conferences

Partnering Efforts (continued)

- Recycled problem identification and resolution in 1996
  - Consultant Usage -- analyzed historic usage and analyzed current trends to speculate on future needs.
  - Errors/Claims -- develop a policy on recovering costs as a result of consultant errors.
  - Performance Measures -- gave consultants (and contractors) the opportunity to review and identify ways to improve DOT performance measures

Other Efforts to Improve Relationship

- Consultants meet with Secretary annually.
- Consultants meet with every district annually.
- DOT attends WACE quarterly meetings.
Other Efforts to Improve Relationship (continued)

- Consultants are frequent members of DOT committees
  - Newsletter
  - Facilities Development Manual
  - Metric Steering Committee
  - Data Transfer
  - Project Scoping
  - NQI

Other Efforts to Improve Relationship (continued)

- Consultants are frequent members of DOT committees
  - Highway Project Management
  - Construction Cost Reduction Incentive
  - Pavement Design Users Group
  - Right of Way/Surveying
  - Highway Capacity Software

Time Savings, Process and Quality Improvements

- Project scoping check list
- 30% - 60% - 90% plan review meetings
- Negotiation training requirement
- Shared consultant data base with all WisDOT staff
- Move to more lump sum contracts for design engineering services
- Full service design and construction master contracts
- Consultant and WisDOT performance measures computed (e.g. plan quality index)

Challenges

- Consultant performance evaluations
- Develop district team of experts
- Reduce WisDOT review and monitoring time of consultant plans
- Capacity and distribution of work as the program increases (top ten firms do 50% of the work)

The credit belongs to:

Statewide Consultant Engineer
  Vern Reding
Contracts Unit
  Randy Knoche
  Chad Reuter
WisDOT/WACE Partnering Charter
February 16, 1994

Working together as partners, WisDOT and WACE are committed to deliver quality transportation projects, in a timely, effective manner, while achieving our mutual goals (common and individual).

I. Communication/Relationship Objectives
   With shared commitment, communications will be open, honest, person-to-person, timely, and up front, in a trusting atmosphere we will:
   1. Listen to, and respect each other to foster free exchange of ideas.
   2. Provide timely alerts and responses.
   3. Provide scheduled communication.
   4. Conduct ourselves in an honest, professional, manner respecting each person’s opinion and encouraging input from all participants.
   5. Empower team members to make timely decisions.
   6. Be available and responsive.
   7. Provide constructive feedback.
   8. Establish clear lines of communication at a project level, across disciplines and offices.
   9. Communicate expectations that are clearly expressed, agreed to and acted upon.

II. Performance Objectives
   To provide customer satisfaction through measurable quality, we will:
   1. Mutually develop uniform scoping and negotiating guidelines, objectives and reviews.
   2. Mutually analyze all aspects of individual projects in regard to performance, timeliness, quality and expectations.
   3. Conduct team “post mortems” on selected projects and communication results.
   4. Meet agreed upon schedules 100% of the time.
   5. Agree upon project budgets up front, and deliver projects within budget.
   6. Through efficient staff assignments, we will commit to strong sense of team continuity.
   7. Develop effective ways to share information and knowledge internally and externally.
   8. Agree to mutually acceptable standards regarding:
      ~ “Boilerplate” and contract language
      ~ Accountability practices
      ~ Liability issues
      ~ Subconsultant issues
   9. Provide joint annual evaluations on performance, coupled with process feedback at each project team meeting to ensure “no surprises”.
   10. Develop a mechanism for recognizing team excellence.

III. Conflict Resolution System
   Realize that conflicts exist and that individuals will disagree, and that we will not personalize conflict. Our intent is to resolve all issues quickly; to determine the magnitude of the problems and set a reasonable timetable for resolution. Any conflict will be discussed and every effort made to resolve at the level at which it originates. If not resolved:
   Step 1 Project Managers put issue in writing and exchange. Agree upon the issue.
   Step 2 Define the timeline. Document facts. Independently propose resolution.
   Step 3 Involve peers at Project Manager level or a mutually agreed upon facilitator to assist parties review and offer process suggestions.
   Step 4 Attempt resolution once more at the Project Manager level.
   Step 5 Project Managers present written problem with suggested resolution to the next management level

We the undersigned agree to undertake and implement the above as applicable to each of us.
**OBJECTIVES**

The Search for Best Practices

PAlternative Organizational Structures/Roles
PImproved Communication Mechanisms
PPolicy/Legislation
PImproved Processes
PWorkforce Strategies

---

**Improved Processes**

The Selection

PEffective
PEfficient
PDefendable
PAccepted
PFast

---

**Improved Processes**

OBJECTIVE: To have contracts executed by the date that they are needed

PTwo Approaches:
P I. Long Range Planning
P II. Expedited Process

---

**Improved Processes**

Advantages of Long Range Planning

PResource Planning
PEfficiencies in Selection Process
Actions/Decisions Leading up to a Design Consultant Contract

PRE-CONTRACT EVENTS

1. Scoping
2. Decision to Proceed
3. Establish Budget
4. Decision to Consult
5. Develop Scope
6. Develop Estimate

SELECTION PROCESS:

1. Advertisement
2. Solicitation
3. Selection Process
4. Request Priced Proposal
5. Negotiations

CONTRACTS & APPROVALS:

1. Develop Contract Document
2. Internal Reviews of Contract Document
3. External Reviews of Contract Document
4. Pre-Award Audit
5. State Executive Approval of Contract
6. Signature on Contract Documents

Seventeen Steps

How Many of these must be "ON-LINE"?

PRE-CONTRACT EVENTS:

Scoping
Decision to Proceed
Establish Budget
Decision to Consult
Develop Scope
Develop Estimate

Advertisement
Solicitation
Selection Process
Request Priced Proposal
Negotiations
Actions/Decisions Leading up to a Design Consultant Contract

CONTRACTS & APPROVALS:
- Develop Contract Document
- Internal Reviews of Contract Document
- External Reviews of Contract Document
- Pre-Award Audit
- State Executive Approval of Contract
- Signature on Contract Documents

Actions/Decisions Leading up to a Design Consultant Contract

REMAINING WITHIN THE TIME-LINE
1. Develop Scope & Estimate *
2. Solicitation
3. Selection Process
4. Request Priced Proposal
5. Negotiations
6. Pre-Award Audit *
7. Signature on Contract Documents *
**Alternative Organizational Structures/Roles**

Critical Issues:
- Generalization versus Specialization
- Centralization versus De-centralization
- Resolution of Contract Issues

---

**Alternative Organizational Structures/Roles**

DEFINITIONS:
- Administrative Duties
- Project Manager Duties
- Other Related Duties

---

**Generalization versus Specialization**

ADVANTAGES OF EACH
- Generalization
- Specialization

---

**Generalization versus Specialization**

Generalist

---

**Generalization versus Specialization**

Specialists

---
Centralization versus Decentralization

Where to Place these duties?

- Seven Regions plus Lansing
- Also have numerous types of Contracts

Resolution of Contract Issues

Recent issues at Michigan DOT

- Retainage on Payments
- Threshold on Submittal to State Administrative Board
- Which Organization will Process Amendments

Resolution of Contract Issues

Contract Policy Committee:

- Director of Financial Services (Chair)
- Commission Auditor
- Attorney in Charge - Transportation Division
- Deputy Director from the Bureau that is Proposing a Change
Resolution of Contract Issues

- Executive Office
  - Performance
  - Contract
  - Compliance
- Budget Office
  - Financial Services
  - Human Resources
  - Information
  - Risk
  - Facilities
- Finance
  - Human Resources
  - Information
  - Risk
  - Facilities
Work Force Strategies

What Kind of People do we Need?

- Customer service oriented
- Self starters
- Care about the quality of their work
- Capability [job skills] to do the work

Work Force Strategies

Job Skills for Contract Analysts

- Accounting
- Finance
- Computers
- Contract Law
- Good Communication Skills

Work Force Strategies

Job Skills for Support Staff

- Bookkeeping
- Computers
- Contract Law
- Detailed Oriented
- Good Communication Skills

Work Force Strategies

Employee Selection base on Need

- Find and hire what is needed rather than what is available.
Improved Communication Mechanisms
Alternatives to the Postal Service

- Bulletin Board
- Listserv
- E-mail
- Overnight Delivery
- Facsimile
- Teleconference

Improved Communication Mechanisms
Bulletin Board

- Directory for each Project
- Lists of Future Projects
- General Information

Improved Communication Mechanisms
Listserv

- Announce New Project Starts
- Information Transfer

Improved Communication Mechanisms
E-mail

- Forum within MDOT
- Group Lists

Improved Communication Mechanisms
Overnight Delivery & Facsimile

- Faster
- Specific Arrival Time

Improved Communication Mechanisms
Teleconference

- Face to Face
- Save Time & Travel Costs

8
Legislation Providing Authority to:

• To Hire Consultants
• To Execute Contracts

Policy to Empower

• Executive Recognition/Support of Change Process
• Project Budget Approval that is "mission
• Creation of Resolution Process
• Close Working Relationship with
FLORIDA DOT CONSULTANT PROGRAM

TERRY CAPPELLINI
MANAGER, CONTRACTUAL SERVICES
terry.capellini@dot.state.fl.us
(850) 414-4477

PROGRAM SIZE
- STEADY INCREASE OVER LAST 15 YEARS
- CONSTRUCTION FROM $400 MILLION TO OVER $2 BILLION
- CONSULTANT PROGRAM FROM $70 TO $450 MILLION
- IN-HOUSE STAFF REDUCED FROM 11,000 TO 10,000
- PRELIMINARY ENGINEERING FROM 40% TO 80% CONSULTANT
- CEI FROM 0 TO 70% CONSULTANT

5 YEAR WORK PROGRAM
- CONSULTANT PROGRAM FOR PRELIMINARY ENGINEERING WILL RANGE FROM $250 TO $300 MILLION ANNUALLY
- CEI CONSULTANTS WILL RANGE FROM $160 TO $300 MILLION
- RIGHT OF WAY CONSULTANTS WILL RANGE FROM $6 TO $37 MILLION
- IN-HOUSE STAFF REDUCTIONS TOTALING 25% OVER 5 YEARS ARE PLANNED

RANGE OF CONSULTANT SERVICES
- PLANNING
- P. D. & E.
- ROADWAY DESIGN
- BRIDGE DESIGN
- BRIDGE INSPECTION
- TRAFFIC ENGINEERING
- SURVEY & MAPPING
- GEOTECHNICAL
- CEI
- ARCHITECTURE
- LANDSCAPE ARCHITECTURE
- RIGHT OF WAY APPRAISAL
- RIGHT OF WAY ACQUISITION
- GENERAL CONSULTANTS

MAJOR CHANGES
- DECENTRALIZED SELECTION, NEGOTIATIONS AND CONTRACTING TO EIGHT DISTRICT OFFICES
- ELIMINATED PRICE PROPOSALS
- DEVELOPED TWO STAGE PREQUALIFICATION PROCESS
  TECHNICAL QUALIFICATION BY TYPE OF WORK, ADMINISTRATIVE QUALIFICATION - REQUIRES OVERHEAD
  AUDIT & PROFESSIONAL LIABILITY INSURANCE CONTROLLED CENTRALLY
- DEVELOPED DATA BASE OF QUALIFICATION INFO, CONTRACT HISTORY AND PERFORMANCE EVALUATIONS

CURRENT PROCESS
- ADVERTISE ON WEB
- PREQUALIFIED FIRMS SUBMIT LOI - 2 PAGE MAX
- TECHNICAL COMMITTEE LONGLISTS 10
- MANAGEMENT COMMITTEE SHORTLISTS 3
- TECHNICAL COMMITTEE SCORES PROPOSALS
- MANAGEMENT COMMITTEE RANKS
- PROJECT MANAGER CONTRACTS STAFF NEGOTIATE
ISSUES

- Communications - Internal and External
- Quarterly District Meetings
- Quarterly FICE/FDOT Liaison Committee Meetings Joint Consultant DOT Task Teams
- Standardization
  - Detailed Procedures and Guidelines
  - Generic Scopes
  - Standard Methods of Compensation
  - Standard Contract Boilerplate
- Quality Assurance Reviews

ENHANCEMENTS

- Innovations in Contracting Methods
- Partnering with Consultants to Improve Negotiations
- Making Data More Accessible Through Web-Based Applications - Internet and Intranet
- Electronic Document Management System (EDMS)
- Consultant Invoice Transmittal System (CITS)

AUTOMATION SUMMARY

- EDMS will provide automated retrieval of all documents from qualification to contract closeout and make electronic documents available on the web
- CITS will allow electronic generation and submittal of price proposals and invoices by consultants via the internet and interface with existing data bases
- Integration of EDMS and CITS with the internet will streamline processes and make data readily available to the department and its consultant partners

FDOT'S WEB SITE

- Go to www.dot.state.fl.us
- For consultant procedures click on "More About FDOT" then click on "Policies, Procedures, Forms, Manuals" then go to procedures by office name and contracts services.
- For consultant contracting information return to the home page and click on "Doing Business with FDOT" then click on "Professional Services"
APPENDIX IX: BRAINSTORMED IMPROVEMENT IDEAS
**GROUP 1:**

1. Fastest process in the nation
   Strategies:
   - Mn/DOT has ultimate contracting authority
   - Streamline consultant selection process:
     - Consistent RFP requirements
     - Move to solely QBS from value-based
     - Flexibility in project definition & pricing
   - Set solicitation dates 6 – 12 months
   - Become fully automated in 18 months

2. Develop an adequate delivery capability to respond to Mn/DOT program needs
   Strategies:
   - Culture change: Mn/DOT transition from doing work to managing work
     - Training
     - Hiring & promotion
   - Consultant culture change
   - Mn/DOT first defines level of consultant use

**GROUP 2:**

1. Identify external barriers to the existing process
   - E.g. change legislative language to be less restrictive
   - Determine whether there is value-added by the certification process

2. Develop an action plan to include small firms

3. Develop training programs to better understand the process for PMs & consultants

4. Create a pre-qualified list of consultants for selection by project manager

5. Redefine a new process

6. Establish a consultant usage plan 6 – 12 months out

7. Establish an environment where Mn/DOT is the client of choice
   - Build trust between the various groups; go out on a limb

8. Establish a proposal maximum of ten pages

9. Develop some pilot projects to test some of these ideas
   - Getting legislation for this
   - Getting delegation of authority
   - Removing Admin from the process

10. Automate the process
    - Put RFP on the Web

11. Improve communication on the consultant selection process

12. Staff up consultant services

13. Let the Districts handle T-contracts (train the Distract staff)

14. Contract Admin makes contact with PM within 1 week of receiving SOS

15. Develop a tracking mechanism for contract process

16. Decrease the number of people involved in the process

17. Have more outcome-based contracts with consultants

18. Develop new contract models:
    - Set multiplier
    - Target price/dual incentive
<table>
<thead>
<tr>
<th>GROUP 3:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Training/skill improvement for Mn/DOT project managers; continuous, sustained</td>
</tr>
<tr>
<td>2. Make Mn/DOT project managers a higher level position</td>
</tr>
<tr>
<td>• Minimizes turnover and manage at a broader level</td>
</tr>
<tr>
<td>3. PMs should have authority (technical &amp; administrative) to manage the work (both Mn/DOT &amp; consultant)</td>
</tr>
<tr>
<td>4. Corridor projects should have umbrella contracts with one project manager (instead of functional PMs)</td>
</tr>
<tr>
<td>5. Start thinking at larger contract level; program level packaging</td>
</tr>
<tr>
<td>6. Change statutes:</td>
</tr>
<tr>
<td>• Allow design-build without low bid</td>
</tr>
<tr>
<td>• Change/remove time limits (two to five years)</td>
</tr>
<tr>
<td>• Allow work to begin prior to authorization</td>
</tr>
<tr>
<td>• Allow consultant selection with no cost submittal (QBS)</td>
</tr>
<tr>
<td>7. Expand master T-contract program</td>
</tr>
<tr>
<td>• Contract limits</td>
</tr>
<tr>
<td>• Work tasks (categories of work)</td>
</tr>
<tr>
<td>• Allow consolidation of services across categories</td>
</tr>
<tr>
<td>• Short list of firms for largest projects</td>
</tr>
<tr>
<td>8. Mn/DOT develop a 5 year plan including consultant projects identification (just a forecast)</td>
</tr>
<tr>
<td>9. More partnering with cities and counties when appropriate to expedite program delivery</td>
</tr>
<tr>
<td>10. Hire a consultant (third party) to manage this change</td>
</tr>
<tr>
<td>11. Consult with construction industry about contents of plans; come to consensus</td>
</tr>
<tr>
<td>12. Standardization (boiler plate) of contracting documents including generic scope and contracting procedure and guidelines</td>
</tr>
<tr>
<td>13. One point of information for consultants to look (Web site). Look at Florida model</td>
</tr>
<tr>
<td>14. Investigate idea of Mn/DOT PMs to directly manage consultant staff (HPO)</td>
</tr>
<tr>
<td>15. Mn/DOT attempts to have 25% of plans on shelf (need true political support)</td>
</tr>
<tr>
<td>16. More lump sum contracts</td>
</tr>
<tr>
<td>17. Different incentive and award fees for performance</td>
</tr>
<tr>
<td>18. Investigate performance feedback mechanisms and models (Florida)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP 4:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Eliminate Admin &amp; AG office involvement (similar to construction contracts)</td>
</tr>
<tr>
<td>2. Delegation of authority for contracts</td>
</tr>
<tr>
<td>Give more authority to Mn/DOT staff (was done in the past)</td>
</tr>
<tr>
<td>3. Improve consultant training for Mn/DOT managers</td>
</tr>
<tr>
<td>CEC could help bring both sides’ project managers together</td>
</tr>
<tr>
<td>Training for writing and administering contracts for both sides</td>
</tr>
<tr>
<td>4. Define scopes better so more lump sum contracts</td>
</tr>
<tr>
<td>5. Pre-qualification of consulting firms by district and ability of district to hire consultant and negotiate fee</td>
</tr>
<tr>
<td>6. Contracts:</td>
</tr>
<tr>
<td>• Multiple projects under one contract with multiple work orders</td>
</tr>
<tr>
<td>• Grouping contracts into one letting</td>
</tr>
<tr>
<td>• On-line or shorter RFO response format</td>
</tr>
<tr>
<td>• Use T-contract to get initial phase of a project to get things going then do selection for later phases</td>
</tr>
<tr>
<td>• Increase T-contract limit</td>
</tr>
<tr>
<td>7. Eliminate RFP process</td>
</tr>
<tr>
<td>8. Consultants earn right to work here (past performance)</td>
</tr>
<tr>
<td>9. Increase consultant capacity</td>
</tr>
<tr>
<td>10. Decentralize contract writing (FL model)</td>
</tr>
<tr>
<td>• Identify redundancy in approval process and streamline process</td>
</tr>
<tr>
<td>• Eliminate external review and approval</td>
</tr>
<tr>
<td>11. Statutory changes</td>
</tr>
<tr>
<td>12. Change threshold limits on contracts</td>
</tr>
<tr>
<td>13. Get certified list of consultants early and through internet</td>
</tr>
<tr>
<td>14. Identify and eliminate redundancy in Mn/DOT plan checks and put responsibility on consultant</td>
</tr>
</tbody>
</table>
GROUP 4 — CONTINUED:
15. Responsibility for project with one consultant instead of switching for each phase
16. Fair contract for Mn/DOT & consultant
17. Mn/DOT write scope of services on RFP instead of consultant
18. Review pre-award audit process. Is it always necessary?
19. Eliminate retainage accelerate project close-out
20. Consultants providing program management
21. Get rid of certification requirement and state employee posting requirements
22. Improve communication with Mn/DOT staff to raise confidence that there is enough work for staff; their jobs aren’t threatened.
23. Identify work earlier that will go to consultants
24. Making more of process electronic. E.g. Internet invoicing
25. Narrow short list quickly
26. Equity given by Mn/DOT of opportunity for all firms
27. Mn/DOT reassess what is really necessary for proposals
28. Better schedule match between proposal and project start date so contract, etc. doesn’t delay start date
29. Authority to start before official contract start date with financial protection

GROUP 5:
1. Mn/DOT is
   • delegated
   • given by law contracting authority
2. General contracts that allow for immediate consulting work (paperless). Similar to city/county arrangement
3. Implement program level DOA approval versus project level
4. Develop a balance between Mn/DOT and consultant work that promotes and supports core competencies within Mn/DOT and increases % of work being done by consultants
5. Total consultant project deliver; Mn/DOT has planning programming responsibility for 50% of the program
   • Work is guaranteed by consultants
6. Mn/DOT has a three year consultant plan (projects identified)
7. Raise contract thresholds that require Mn/DOT approval of subcontracts
8. Establish $ amount within a master contract where each work order does not require approval outside of Mn/DOT
9. Utilize large and small consulting firms
10. $1 billion/year construction program – double today’s program
11. Implement a new pre-qualification process
12. Ability to spend up to 25% of your consultant fee before the contract is signed
13. Ability for Mn/DOT & consultant to agree on close-out of the project
   • Go to 0% retainage

GROUP 6:
1. Mn/DOT – Admin better communications and defined roles and responsibilities
2. Mn/DOT empowered by state to do own contracting
3. Consultant proposals to solicitations:
   • Limit size to 10 pages (transmittal letter, project team, innovation/approach, related project experience, project delivery/schedule
   • Standardized format
   • Post solicitations on internet
4. Identify consultant solicitations for next 12 months about specific projects
5. Maintain a minimum level for consultant use: 25% of Mn/DOT’s program for minimum
6. Get ahead of the game
   • Use consultants to get jobs on the shelf
   • Size of shelf jobs = one-year construction program
7. Need a long term, stable funding source
   • Educate legislature
   • Consultants and Mn/DOT work together
8. Consultant selection based on qualifications (QBS) rather than best-value
   • Eliminate the cost portion of selection
<table>
<thead>
<tr>
<th><strong>GROUP 6 — CONTINUED:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Have a selection that more than 70% feel is fair</td>
</tr>
<tr>
<td>- Mn/DOT and consultant community have to feel process is fair</td>
</tr>
<tr>
<td>10. Have on-going training for project managers</td>
</tr>
<tr>
<td>- Promote consistency</td>
</tr>
<tr>
<td>- Work together (Mn/DOT &amp; consultants) to develop training</td>
</tr>
<tr>
<td>11. Develop a program for employee rotation between Mn/DOT &amp; consultants</td>
</tr>
<tr>
<td>12. Define plan requirements (design construction) better (what is really required?)</td>
</tr>
<tr>
<td>- Be consistent</td>
</tr>
<tr>
<td>- When is good enough good enough?</td>
</tr>
<tr>
<td>- Mn/DOT needs a fast track renew process (especially for IRC projects)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>GROUP 7:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Legislative changes:</td>
</tr>
<tr>
<td>- Not as much Admin involvement</td>
</tr>
<tr>
<td>- Eliminate municipal consent</td>
</tr>
<tr>
<td>- From outside: CEC, AGC</td>
</tr>
<tr>
<td>- Start contract before fully executed with letter of intent</td>
</tr>
<tr>
<td>- Change $ limits</td>
</tr>
<tr>
<td>- Mn/DOT responsible for whole process</td>
</tr>
<tr>
<td>2. Review whole contracting process to identify whose policy (Mn/DOT or Admin) or if by statute</td>
</tr>
<tr>
<td>3. Automation:</td>
</tr>
<tr>
<td>- Contracting and project delivery</td>
</tr>
<tr>
<td>- IT Specialist</td>
</tr>
<tr>
<td>4. Review Mn/DOT needs for standards versus personal preferences versus area practices</td>
</tr>
<tr>
<td>- Streamline</td>
</tr>
<tr>
<td>- Clarify up front, training and performance expectation</td>
</tr>
<tr>
<td>5. Need knowledgeable change agent to create/implement new contracting system</td>
</tr>
<tr>
<td>6. Project manager training: periodic and constant</td>
</tr>
<tr>
<td>- Culture and philosophy of working together</td>
</tr>
<tr>
<td>- Understanding of consultant business ops</td>
</tr>
<tr>
<td>- Joint training sessions (Mn/DOT &amp; consultants)</td>
</tr>
<tr>
<td>7. Constant two-way feedback between Mn/DOT and consultants</td>
</tr>
<tr>
<td>8. Identify culture and philosophy of working together with both parties and implement:</td>
</tr>
<tr>
<td>- Consultant as an extension of staff</td>
</tr>
<tr>
<td>9. Authority:</td>
</tr>
<tr>
<td>- Mn/DOT project managers to make decisions</td>
</tr>
<tr>
<td>10. Consultant firms: manage projects and programs and deliver completed project — turnkey</td>
</tr>
<tr>
<td>- Test it NOW!</td>
</tr>
</tbody>
</table>
**Evaluation Ratings:**

*Scale: 1 to 5 with 1 being strongly disagree and 5 being strongly agree*

<table>
<thead>
<tr>
<th>Content</th>
<th>Avg</th>
<th>Hi</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>My interests were addressed during the workshop</td>
<td>4.3</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>The research presented during the workshop helped me to better understand the issues and possible solutions</td>
<td>4.4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>The panel discussion and best practices helped me to better understand the issues and possible solutions</td>
<td>4.5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>The planning process produced useful plans that we can act on</td>
<td>3.9</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The communications I received prior to the workshop were clear and helpful</td>
<td>3.0</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>The facilitators encouraged participation, openness, and communication</td>
<td>4.5</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>Facility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The meeting space was comfortable</td>
<td>4.1</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>The meeting space was conducive to communication</td>
<td>4.2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The workshop met my expectations</td>
<td>4.3</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>The workshop will lead to improved consulting program processes and working relations</td>
<td>4.3</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

**Grand Average** 4.2