



April 9, 2021

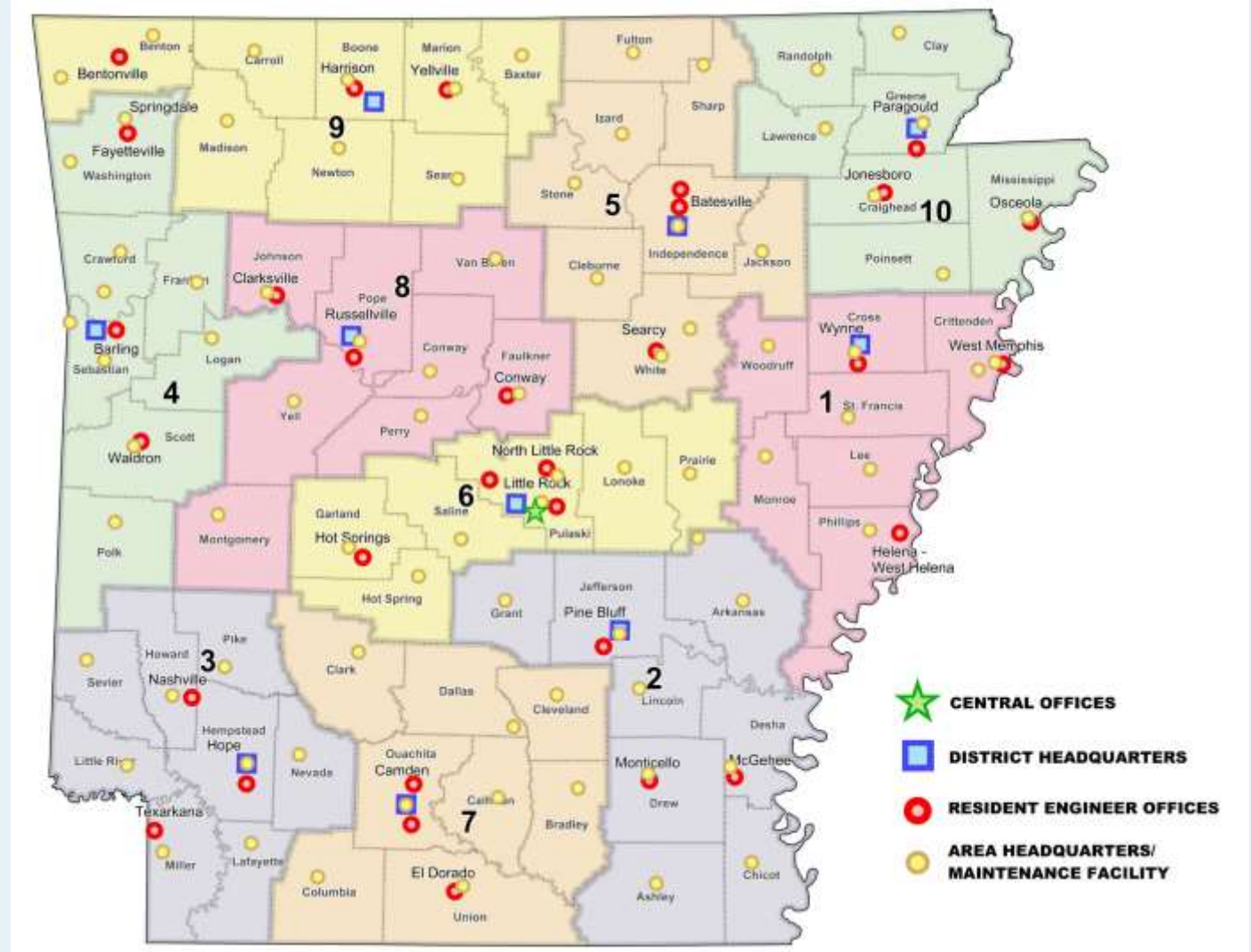
DBIA SW Region – Owner’s Panel

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Arkansas Department of Transportation

- 3rd Largest State Agency (approx. 3,700 employees)
- Maintains 16,465 miles of highway and 7,338 bridges
- 10 District Offices and 31 Resident Engineer Offices
- 2017 Annual Program Budget ~ \$550M
- 2022 Annual Program Budget ~ \$1B



Alternative Delivery

- When can Alternative Delivery add value?

Innovation

- On projects where innovation is desired to address project complexities.

Design

- On projects with complicated design and maintenance of traffic components that could introduce constructability concerns.
- On projects with tight corridors, extensive third party involvement.

Cost

- On projects that need some level of cost certainty or cost control.

Schedule

- On projects that have tight timelines for completion or where impacts on customers need to be minimized.

Construction Manager/General Contractor (CM/GC)

Definition

- Two phase delivery method – design and construction. Separate contracts for design (if not delivered in-house) and construction.

Authority

- Act 809 of 2017 – Pilot legislation
 - 3 projects; sum of construction cost estimates not to exceed \$200M total
 - First project construction cost estimate not to exceed \$70M

- Act 1019 of 2019 – Amended Act
 - 5 projects; sum of construction cost estimates not to exceed \$200M total
 - Single project construction cost estimate not to exceed \$100M

Provision

- Guaranteed Maximum Price (GMP)
- Independent Cost Estimator
- GMP not to exceed ICE estimate by more than 10%

Design Build

Definition

- Project delivery method in which the design and construction of a project are combined into one contract, usually awarded on either a low bid or best-value basis.

Authority

- 2017 – **AR Code § 27-65-107** amended to grant the AR Highway Commission authority to enter into contracts that combine the design, construction, and construction engineering phases into a single contract.

Types

- Design Build
- Progressive Design Build

Provisions

- Qualifications Based Selection
- Award a project that offers the greatest value for the State
- Enter into DB agreement to design and construct qualified projects

Progressive Design Build

- Design-build delivery via a stepped, or progressive process.
 - Qualifications Based Selection
 - Phased approach to “progress” towards a design and price agreement
 - Allows the design builder to proceed on “early work” packages for prior to construction authorization
- Three phase contract approach:
 - Planning
 - Preconstruction
 - Construction

Progressive Design Build

- Option for “off-ramp”
 - Inability to reach agreement on Construction phase terms
 - PDB teams fully compensated for development at each phase
 - ARDOT “owns” design and can move forward with different delivery method

- Value Added with PDB Delivery Method
 - Simplifies procurement process pricing and schedule
 - Provides substantial owner input on design decisions
 - Schedule risk for NEPA and design submittals mitigated
 - Open book pricing
 - Risk mitigation/pricing negotiation throughout life of project

Progressive Design Build

- Potential Obstacles with PDB Delivery Method
 - Procurement regulations that require best value source selection vs QBS
 - Limited price competition among proposers for overall design-build contract price
 - Owner uncomfortable exercising “off-ramp” option
 - Procurement does not include subcontractor commitments
 - Resistance to change within Owner organization

ARDOT Progressive Design Build

➤ Administrative Proposal

- Proposal Letter
- Information Forms and Legal Information
 - Major Participants required to be prequalified with Department
 - Conflict of Interest/Debarment/Suspension/Non-Collusion
 - Proposal Security
 - Exceptions to Design Build Agreement

➤ Technical Proposal

- Executive Summary
- Organizational Chart
- Firm Experience
- Key Personnel
 - Required Key Personnel
 - Suggested Additional Key Personnel
- Project Approach
 - General
 - By Phases (Planning, Preconstruction, Construction)

ARDOT Progressive Design Build

➤ Financial Proposal

- Surety Letter
- Price Proposal
 - “Not to Exceed” for Planning Phase
 - 2,000 hours to be distributed amongst tasks and Key Personnel
 - For evaluation purposes only.

➤ Proposer Interviews

- Option to interview all teams or short listed proposers
- Format set out in Instructions to Proposers
 - Introduction and Project Approach
 - Presentation of Alternative(s)
 - Case Study
 - Questions & Answers by ARDOT Evaluation Panel

ARDOT Progressive Design Build

➤ Next Steps

- Selected Proposer to Arkansas Highway Commission for approval – Summer 2021
- NEPA Process/Planning Phase commencement – Summer 2021
- Contract negotiation and execution – Fall 2021
- NEPA Approval/Planning Phase complete – Winter 2022
- Preconstruction Phase (if authorized) begin – Fall 2022
- Construction Phase (if authorized) – Summer 2023

More Information



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