

**ODOT/Industry Leadership Group**  
**February 16, 2007**

**Engineers Estimate Process:**

Bob Callaway shared information on how ODOT is doing with our Engineers Estimates. He indicated that FHWA guidelines suggest that the DOT Engineers Estimate should be within 10% of the low bid at least 50% of the time. Bob indicated that ODOT traditionally has been right at that 50% threshold. In 2005 for all projects, the engineers estimate was averaging 104% of the low bid. In 2006, that dropped to 98% of the low bid. With that change, adjustments to our process have been made and over the last 4 months, the engineers estimate is running at 103% of the low bid. The biggest change is that our estimators are now looking at a three to four month bid history rather than the three year history they had used in the past.

A couple of suggestions were made by industry. First was that ODOT do a better job of communicating the status of the review process to the apparent low bidder. Often times the low bidder does not know what is happening with the review. The second issue was that the contractor needs more time to consider whether or not they want to grant an extension of their bid prices when the award is delayed. They currently receive little time to consider the impact of a delayed award. Bob said he would work on making improvements in both of these areas.

**Electronic Bidding Schedule:**

Wynnette Gentemann reviewed the schedule for the rollout of the electronic bidding process. They are running test lettings on example contracts from March 1 through April 5. These will simply be examples and will be tested by the 7-8 pilot contractors that have already been trained. Beginning April 12 they will run parallel testing on real projects. These projects will allow for electronic bidding by any contractor, but will also require that paper bids also be submitted. Only the paper bid will actually count.

It is hoped that these two trials will go well and they will begin official acceptance of electronic bids beginning with the July 26 bid opening. Electronic bidding will be optional to the contractor at that point.

Wynnette also indicated that the Small Business Network which would allow primes to solicit subcontractor quotes electronically would likely go on line at the same time.

A copy of the current schedule is attached.

**Work Volume Dip in 2007:**

Tom Lauer gave a presentation explaining in more detail the dip in contract volume he was projecting in 2007. In summary, the decline in contract awards is due to the tapering off of the OTIA 1 and 2 program combined with a slight dip in the 2007 STIP allocations. In addition, there is a slight decline in the OTIA – 3 contract volume primarily because there are no large Design/Build projects scheduled in 2007 as the next Design/Build bundle is currently scheduled for early 2008. A copy of Tom's powerpoint presentation is attached.



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### **Temporary Right of Way Procedures:**

Larry Gescher raised concern with what appears to be new requirements on construction easements. They are being told that the Contractor can not get temporary easements even for access on their own and will have to go through ODOT. This process could take upto 12 months to get through.

It was suggested that we bring someone from the Right-of-Way Section to discuss this in detail at our next meeting.

### **Retainage:**

With changes to the retainage specification, there is a new issue that has occurred. When the old spec required 5% retainage until 50% of the original contract work was complete, the contractor knew that they could limit the actual retainage to 2.5% of the original contract amount. Thus they could issue a letter of credit at the start of the project, knowing exactly what the maximum retainage would be. With the new specification which requires 2.5% retained from all contract payments, the contractor does not know what the maximum retainage will be because change orders can continually increase the contract amount. Thus when they issue their letter of credit, it may not cover all of the retainage needed at the end of the project.

This was an unanticipated consequence of the change. ODOT will look into the possibility of adjusting the specification.

### **New Spec Book:**

The schedule for the final review and publishing of the new standard spec book was discussed. It is hoped to have all the revisions done by this spring and get the book ready to be published by this summer. With the projects currently in the design process, it likely would not start showing up in projects until early 2008. This is about 3 months behind the original schedule.

### **Quality of Plans & Specifications:**

A task group is being formed with representatives from AGC, ACEC, and ODOT to work on improving the quality of ODOT plans and specifications. Cathy Nelson will be contacting participants to schedule a meeting to begin this effort within the next two weeks. Reed Thatcher was volunteered as an additional industry participant.

### **Plans and Specs for Low Bidder:**

Tim Hendrix asked if it was ODOT policy to charge the low bidder for copies of the plans and specifications (when more than five copies are requested). Dianna Foster agreed to look into and communicate the policy back to industry .

### **Force Account Form:**

Marge West has revised the Force Account form to include a place to indicate whether or not per diem was being paid to the individuals involved in the force account work and also to provide a signature block for a subcontractor involved in the force account work. A copy of the new form is attached.



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### **Annual Meeting Review:**

Copies a summary of the evaluations that were turned in at the annual meeting were reviewed (Copy is attached). In addition, the following comments were given to consider for next years meeting.

- Might look to pair up a contractor with the ODOT presenter to give industry more of a presence at the meeting.
- Have a presentation from industry on what ODOT could do better from their perspective.
- Might have a topic on emergency repair contracting
- Location was very good, suggest we continue to hold at Salem conference center.



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### **Next meeting:**

**The next meeting is scheduled for March 16!**