

ODOT Project Delivery Guide

APPENDIX B: PROJECT DELIVERY METHODS

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ODOT's project delivery system uses two primary project delivery methods and three primary project delivery processes to maximize the use of ODOT, local agency and industry resources in order to deliver the STIP and other legislatively approved projects.

OUTSOURCE METHOD:

Outsourcing integrates private sector resources into ODOT's project delivery system, which increases the agency's capacity to deliver more projects. Outsourcing is used in the Design-Build and Program Management delivery processes, and may be used in the traditional Design-Bid-Build process.

Management of outsourcing is coordinated through:

- ODOT project managers for fully outsourced projects; or
- Advanced Contracting Unit (ACU) and OTIA III Bridge Delivery Unit (BDU) staff for specific outsourced projects and programs; or
- Region Technical Centers for discipline specific outsourced portions of projects; and/or
- ODOT Project Managers for construction.

NOTE: All construction is outsourced either to a consultant or directly to a contractor.

IN-HOUSE METHOD:

The in-house method uses primarily ODOT resources to deliver the Project Development phase and provide construction management using the traditional design-bid-build process.

Management of in-house project development delivery is coordinated through ODOT Project Leaders (PLs). Region Technical Center staff delivers the design functions or oversee consultants delivering specific technical disciplines. Construction is overseen by an ODOT Project Manager.

PROCESSES

NOTE: For more information on construction contracting see:
http://www.odot.state.or.us/ffp/hwy/opd/contracting_odot.html

In the Design-Bid-Build process:

ODOT's project development phase uses in-house resources or may outsource the entire project design, major functions such as Preliminary Engineering, or specific technical disciplines to a consulting firm.

Projects considered to be in-house are led by an ODOT Project Leader (PL) and may include consultants, managed by the Region Technical Center, on the project team when specific technical disciplines are contracted to a consulting firm.

Projects considered to be fully outsourced are led by an ODOT project manager (PM).

Construction management (engineering and construction contract administration) is either provided internally by an ODOT Project Manager or is outsourced, typically to the same consulting firm that provides the design work.

Construction is bid and contracted separately.

In the Design-Build process:

ODOT contracts with a firm or team of firms for engineering design and construction.

The firm or team of firms works together to deliver the project, including design and construction.

ODOT retains oversight of the Design-Build contract.

In the Program Management process:

A related series of projects are integrated into a single program.

The management of all the tasks for the related series of projects includes:

Organization

Implementation

Operational management

The integration into a single program is designed to achieve well-defined strategic goals and objectives

ODOT contracts with a firm that performs the contract administration and management of the program.

NOTE: An example of how ODOT is using The Program Management delivery method is the OTIA III Bridge Delivery Program.

See: http://www.oregon.gov/ODOT/HWY/OTIA/bridge_delivery.shtml

During the program development stage of project delivery, before the STIP is approved, regions analyze the projected program volume and resource capacity to determine which projects will be fully out-sourced. Upon STIP approval, regions again analyze the projects identified for in-house delivery to determine if specific technical disciplines need to be outsourced.

See Operational Notice 14: <http://www.oregon.gov/ODOT/HWY/PDU/docs/pdf/PDLTnotice14.pdf>

OTIA III BRIDGE PROJECTS

In 2003, the Oregon Legislature passed House Bill 2041 which provided \$1.3 billion for the replacement and repair of bridges on state highways over an eight to ten year period.

The projects in the OTIA III State Bridge Delivery Program were selected based on recommendations in the Economic and Bridge Options report and approved by the OTC.

Oversight of OTIA III State Bridge Delivery Program is provided by the OTIA III Bridge Delivery Unit (BDU) in ODOT's Major Projects Branch. The program:

- Provides statewide management and delivery of accelerated bridge repair and replacement projects

- Partners with the private sector to develop and implement:

 - Program management

 - Execution of the program

 - Procedure plans and strategies

- Provides statewide highway corridor management through the integration of bridge repair and replacement projects with the STIP, ensuring that Oregon's highways remain open and passable during construction

BDU contracts with a program management firm to perform the contract administration and management for the OTIA III bridge projects. The project development, as well as the bridge construction is completed through Design-Build and Design-Bid-Build contracting. The program management firm, Oregon Bridge Delivery Partners (OBDP) provides:

 - Program management services

 - Design management services

 - Construction management services

In addition to being delivered by the program management firm, portions of the OTIA III State Bridge Program are delivered by the regions. The bridge projects are delivered through a variety of contracting methods, including:

- Design-Build
- Design-Bid-Build
- Construction Management/General Contractor

NOTE: Additional information on the OTIA III State Bridge Program is available at: http://egov.oregon.gov/ODOT/HWY/OTIA/bridge_delivery.shtml

DELIVERY OF LOCAL AGENCY PROJECTS

Locally sponsored projects are included in the STIP and can be funded by either state or federal funds.

- ODOT must oversee the expenditure of these funds based on state and federal laws
- ODOT's Agreement with Association of Oregon Counties (AOC) and the League of Oregon Cities (LOC)
- ODOT/FHWA Stewardship Agreement

NOTE: For more specific guidance on how local projects are delivered, see the [Local Government Section's LAG Manual](#).

Oversight of local agency projects can take several forms depending on how projects are funded.

For state-funded projects:

- The local agency is the contracting agency for both consultant and construction contracts
- ODOT's level of involvement varies from full oversight to the minimal involvement of an audit, depending on project specifics

For federally-funded projects, oversight can be by:

- ODOT staff
- Certified local agencies
- Consultants

On federally funded projects, ODOT staff is involved in the scoping and programming of all:

- ODOT-delivered projects
- Consultant-delivered local agency projects
- Local-agency-delivered projects

Depending on the agreement or by request, ODOT staff may be involved in the scoping and programming of certified agency projects

Note: For federal funded construction projects, ODOT is always the contracting agency unless the project sponsor is a certified agency.

For consultant-delivered projects, a consultant is retained by:

- ODOT on behalf of the local agency through the state two-tier price agreements

- A certified local agency using its own approved processes

ODOT staff provides:

- Liaison services for the projects

- Project completeness review of the bid documents

- Bid and award services

- Contract administration

- Quality control/quality assurance functions when under construction

Local agency staff provides review and acceptance of consultant work products.

For certified-agency-delivered projects, local agencies sign an agreement with ODOT laying out the responsibilities of both parties for project development.

Certified agencies:

- Develop the projects

- Bid, let and award the projects

- Oversee the construction of the projects

- ODOT audits the projects to ensure that they meet the qualification agreements.

For ODOT-delivered projects, ODOT staff, for a complete project or a portion of a project:

- Provide project development

- Let project bids

- Provide construction engineering

NOTE: This model is used infrequently. FHWA expects that ODOT provide oversight, not that ODOT does the work for the local agencies.

Additional information regarding local agency certification or consultant selection may be found on the Local Government Section web site, click on "Certification Program" at: <http://www.oregon.gov/ODOT/HWY/LGS/>