



Oregon

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FILE CODE:

DATE: September 23, 2013
TO: ODOT Project Delivery Business Line
FROM: ODOT Project Delivery Leadership Team
SUBJECT: Change in Percentage Construction Engineering Targets

INTRODUCTION

Over the past several Quarterly Business Reports, PDLT noted that % CE was consistently exceeding goals (below 7% for State administered projects and between 10-15% for Local Government administered projects). CLT was requested to work on the issue. From their work, CLT recommended changes to % CE targets, which PDLT has approved. These changes have been reflected in a revised PD-08.

BACKGROUND

Currently ODOT has a performance measure tracking the Percent of Construction Engineering expended on our projects. The target in the Quarterly Business Report is to be below 7%. PD-08 also provides guidance on CE budgets when developing the budget to go into the Construction Authorization. Those targets range from 6.5% to 12% depending on the type of project. PD-08 also suggests the target be between 10 and 15 % for consultant administered projects.

For the last several years the actual performance of % CE for state administered projects has exceeded the 7% goal running at about 11% overall. The reasons for increasing CE costs may be due to several reasons, but increasing personnel costs well above normal inflation rates appears to be predominant. Therefore, based on arguments made in a CLT Issues Brief in May 2013 (see Reference), PDLT approves changes to % CE targets.

KEY POINTS

- The overall performance measure goal for % CE for state administered projects shall be raised from 7% to 9.5%.
- For local administered agency projects the overall performance measure goal for % CE shall be raised from 15% to 17%.
- PD-08 will change to reflect the revised % CE goals by project type as follows:

	Current % CE Goal	Revised % CE Goals	
		State Administered	Local Administered
Modernization	10.5%	12%	17.5%
Preservation	6.5%	7%	12.5%
Bridge	11%	13.5%	17.5%
Safety	10%	12.5%	17.5%
Operations	12%	14.5%	17.5%
Other	11%	11%	15.5%

REFERENCE

Issues Brief Construction Engineering Targets (Construction Leadership Team May 2013).

CONTACTS

Please direct questions to Jeff Gower, State Construction & Materials Engineer, Technical Services (503.986.3123).