



U.S. Department
of Transportation
**Federal Highway
Administration**

Memorandum

Subject: **ACTION:** Alaska Progressive Design-Build
Project Delivery under Special Experimental
Project No. 14 (SEP-14)

Date: July 11, 2023

From: Brian R Hogge
Acting Director, Office of Preconstruction,
Construction, and Pavements

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In Reply Refer To:
HICP-20

To: Sandra A. Garcia-Aline
Division Administrator
Juneau, AK

This memorandum is in reference to a June 22 email sent by Emily Haynes of your office, which transmitted and requested approval of an Alaska Department of Transportation and Public Facilities (DOT&PF) workplan for the use of Progressive Design-Build (PDB) Project Delivery under Special Experimental Project No. 14 (SEP-14). The DOT&PF proposes to use PDB Project Delivery for the Sterling Safety Corridor Improvements Project between MP 82.5 and MP 94.

Under [23 CFR 636.302\(a\)\(1\)](#), evaluation of price is required in the selection of a design-build team (DBT) if the contract is awarded after the NEPA process is complete. The Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) were approved on December 16, 2021. The DOT&PF is requesting FHWA approval under SEP-14 to deviate from 23 CFR 636.302(a)(1) and allow the selection of the DBT using a qualifications-based selection process where price is not a component.

The DOT&PF wishes to use PDB on this and one other project to develop the agency's capacity for using alternative project delivery methods. The DOT&PF typically uses the design-bid-build method. Previous experience with design-build project delivery has had mixed results. More recently, DOT&PF has used the Construction Manager/General Contractor method with positive results.

The Project is intended to improve safety and congestion on the Sterling Highway between Sterling and Soldotna, Alaska (see Figure 1 of the attached SEP-14 workplan). This portion of highway was designated as a Traffic Safety Corridor (TSC) in 2009 due to its unacceptably high count of fatal and major injury crashes. The TSC designation is a temporary measure until permanent road construction projects can mitigate underlying problems. DOT&PF intends to improve safety and remove the need for the TSC designation by constructing the Preferred Alternative defined in the EA.

The DOT&PF will solicit and select the successful DBT through a Competitive Sealed Proposal process, as defined in the department's Professional Services Agreement (PSA) Manual (dated January 2018). As there are few contractors in Alaska with the capacity and expertise to do alternative delivery products, the DOT&PF will use a one-step procurement process. The DOT&PF will publicly advertise a Request for Proposals (RFP). Proposals will be evaluated by a committee of 3-5 professionals with experience in highway design, construction, alternative procurement methods, and/or technical areas significant to the Project.

The DOT&PF will incorporate the following elements into the RFP:

- Early Work Packages. The preconstruction services contract will include a specification allowing DOT&PF to procure an early work package if construction risks have been addressed and the scope of work is defined sufficiently for DOT&PF and the PDB contractor to reasonably determine a price.
- Off Ramp. The preconstruction services contract will include a specification allowing DOT&PF to initiate a new procurement process for completing the work if the Department and contractor can't agree on a reasonable price.
- Independent Cost Estimator (ICE): DOT&PF will solicit a separate PSA for an ICE. The ICE will provide independent estimating to aid DOT&PF in price negotiations with the contractor and ensure the agreed price is reasonable and fair for the scope of work

Other details are contained within the SEP-14 Workplan.

This SEP-14 Workplan for this project is approved.

The FHWA's approval of the SEP-14 workplan for the Project is limited to the deviations from FHWA's procurement rules at 23 CFR Part 636 as set forth in the Workplan. FHWA's approval is not intended to be and should not be interpreted as an approval, either expressly or implied, of deviations from any other title 23 USC, title 23 CFR, or other Federal requirement (including provisions contained in the recently enacted Bipartisan Infrastructure Law, enacted as the Infrastructure Investment and Jobs Act, Pub. L. 117-58 (Nov. 15, 2021) applicable to any other aspect of the project advanced under the SEP-14 Workplan.

Thank you for the opportunity to review and comment on this SEP-14 request. Should you have any questions, please contact Brian Hogge at (202) 366-1562, or John Huyer at (720) 437-0515.