



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

Subject: **ACTION:** Alternate Technical Concepts for Design-Bid-Build Projects under Special Experimental Project No. 14 (SEP-14)

Date: January 8, 2016

From: /s/ Thomas D. Everett
Director, Office of Program Administration
Washington, DC

In Reply Refer To:
HIPA-30

To: Arlene K. Kocher
Division Administrator
St. Paul, MN

We have received the Minnesota Department of Transportation's (MnDOT's) SEP-14 workplan proposing to use Alternate Technical Concepts (ATCs) for Design-Bid-Build (D-B-B) projects on a trial basis. The proposed workplan, dated August 17, 2015, and draft D-B-B ATC Specification 9-2015 was transmitted to our office by William Lohr of your staff on October 7, along with the Division Office concurrence. Subsequently, Mr. Lohr transmitted MnDOT's August 2015 "Alternative Technical Concepts (ATCs) in Design-Bid-Build" summary document on November 2, as it was a referenced attachment to MnDOT's SEP-14 workplan.

MnDOT proposes to utilize ATCs on D-B-B projects to reduce costs and increase the quality of the Maintenance of Traffic (MOT), erosion control, or other temporary construction on a project. To do this, MnDOT will utilize a process that is very similar to MnDOT's design-build ATC process. To allow sufficient time for in-house evaluation, MnDOT will extend the advertisement time by roughly six additional weeks (for 10 weeks total) and will allow ATCs on temporary items with lump sum bid items only.

D-B-B ATCs will be utilized on three upcoming projects with the following characteristics:

1. Large projects over \$10 million. The size helps to ensure that bidders/contractors will be interested in undertaking the additional effort in ATC development at their cost in order to secure the work.
2. Projects with complicated or costly MOT arrangements. It is expected that the value of this technique will be captured with adjustments to a project's MOT scheme, despite the ability to develop ATCs for other elements related to constructability.
3. Projects where the additional advertisement time (roughly 6 weeks) and qualified MnDOT staff are available to process the ATCs appropriately.

Candidate projects include the I-35W/I-35E/I-35 Junction Project north of the Twin Cities, estimated at roughly \$40 million) and I-35W/Lake St. reconstruction Project, estimated at roughly \$343 million.

FHWA hereby grants programmatic approval of MnDOT's SEP-14 workplan for three pilot projects subject to the following conditions:

1. Regarding MOT ATCs: In consultation with your office, MnDOT should develop and implement project-appropriate contract performance criteria (e.g. queue length, measured delay, measured average speeds) for each D-B-B ATC project
2. Regarding evaluation and reporting in general; MnDOT should prepare the following reports for FHWA
 - a. Annual reports indicating the following for each project undertaken to date:
 - Industry Reaction,
 - ATCs Proposed,
 - Time and Cost Savings, and
 - Lessons Learned.
 - b. A summary report discussing all projects.
3. Regarding evaluation and reporting of Time and Cost Savings (Workplan, Evaluation, Item 3); MnDOT should note any cost and time savings for ATCs not related to MOT, and perform cost and time evaluations as appropriate for ATCs regarding erosion control or other temporary construction lump sum pay items.
4. Regarding MnDOT's ATCs on D-B-B Specification, the bidder is not required to obtain approval under 23 CFR 635.411 for patented or proprietary products included in a particular ATC. A bidder/contractor is free to choose the materials with which the project is to be constructed.

If you have any questions, please contact the following: Gerald Yakowenko at Gerald.Yakowenko@dot.gov or (202)366-1562, or John Huyer at John.Huyer@dot.gov or (651)291-6111.