

# Ohio Department of Transportation Transition Issues

## Positive Trends and Activities:

- The ODOT Safety Program is well-managed, with meaningful cooperation with stakeholders and demonstrable program outcomes.
- Performance-based Practical Design (PBPD) is a necessary design approach:
  - The public gets more for their money;
  - ODOT needs to push the design philosophy through resistant parts of the organization
- The Transportation Review Advisory Council (TRAC) has survived for 20 years, greatly removing politics from project decision making.
- The Office of Environmental Services (OES) has performed extraordinarily well in streamlining processes, process reforms, and delivering projects.
- The Office of Consultant Services (OCS) has performed well in process automation (programmatic proposal submittals), fee guidance standards, and web-based scope and fee system (SAFE).

## Areas of Concern for Improvement:

- Funding for state and local transportation programs: By 2020 ODOT will be underfunded by \$330 million, there will be no major new projects through the TRAC and maintenance/preservation dollars will be reduced
- ACEC Ohio is a member of the FOR Ohio Coalition and actively engaged in solving the state's transportation funding challenges.
- ODOT is misapplying the Design-Build (DB) method of delivery:
  - DB is not appropriate for many projects
  - DB is costlier for consultants and results in fewer opportunities to participate in ODOT programs
  - DB is currently weighted toward low-price (i.e. contractors "shop around" for the lowest fee), which deviates from the QBS process. Procurement "pre-design" work is routinely performed under no compensation to the consultant; or at a level that does not cover overhead and profit.
  - ODOT's use of low-bid DB procurement flies in the face of best practice recommendations from the Design-Build Institute of America (DBIA)
  - In fact, ODOT should adopt the DBIA best practices, using DB only where appropriate:
    - Qualifications-based
    - Stipend
  - DB should be the exception, not the norm
- ODOT is trying to impose rate caps on construction inspection projects
  - ODOT's overly-stringent qualifications requirements (industry certification) restricts the market for construction inspection professionals, which drives up the cost
  - ACEC Ohio feels this is a "back door" approach to bidding professional services work

## Areas of Concern for Improvement continued:

- ODOT faces workforce organization and compensation issues
  - Compensation has not kept pace with professional services market, including public sector, peer agencies
    - ODOT Director salary is far less than peer executives in city government, transit agencies, airport authorities, and metropolitan planning agencies
    - Compensation disparity extends throughout most of the professional job classifications
      - There has been an exodus of talent to peer agencies in the last six year
  - Wage Compression is a major issue. Many engineers earn more than the Administrator they report to; thus, resulting in a lessor pool of qualified candidates showing interest in higher level positions within the Agency.
  - Inadequate compensation hurts project delivery
    - There are less experienced project managers because of the talent drain from ODOT; resulting in lack of true leadership skills and poor decision-making
    - Project managers have too many projects to deliver effectively
    - Lack of project oversight leads to project delays, plan revisions, and ultimately more costly plan development
- ODOT needs to improve the predictability of the consultant program, for the good of the professional services industry and Ohio taxpayers
  - “Boom and bust” results in expansion and contraction of companies, layoffs, and labor shortages
  - A steady, predictable program is desirable for the industry
  - ODOT needs to better forecast the projects to be advertised in the programmatic, at least two cycles ahead of advertisement date
  - Also, ODOT needs to announce project DBE goals much sooner in the procurement process, to improve DBE responses and allow businesses to plan better
- Consistency among Districts in interpretation of policy
- Local project delivery needs improvement
  - More than \$350 million in federal funding is made available by ODOT to local public agencies (LPAs)
  - Local agencies lag in delivery, because they are unfamiliar with changing ODOT processes
  - Districts are inconsistent in their delivery of LPA projects; for some, it is not a priority
  - ODOT should invest in program management consultants to deliver the LPA program adequately and consistently across the state. Consideration should be made to post future LPA projects every quarter vs. randomly, or similar to the Future ODOT Programmatic Postings. This will give the industry more time to prepare & respond to RFP's. It seems reasonable that this can be accomplished by each District's LPA coordinator.