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Transportation Committee
February 23, 2015
House Bill 6821 – Support

Senator Maynard, Representative Guerrera and members of the Transportation Committee:

My name is Travis Woodward and I am a Transportation Engineer at the Department of Transportation.

I submit this testimony in regards to H.B. No. 6821. First, I would like to applaud Governor Malloy for his transportation and infrastructure initiative and highlight the fact that state employees can build that transportation system for significantly less than outside consultants. This past fall the Department of Transportation completed cost-effectiveness evaluations for design and inspection contracts that show project design and construction inspection completed by in-house state employees could be completed in many instances at half the cost of outside consultants but that short staffing prevents more work from being done in-house. To reverse this trend, we as a department require accelerated recruitment to bring staffing up to the appropriate levels. In the short term, the State needs to utilize the Design-Build and Construction-Manager-at-Risk options to assure no loss of federal dollars.

A few years ago the Connecticut General Assembly passed legislation to allow for what is known as Design-Build and Construction-Manager-at-Risk. Design-Build is a project delivery system in which the design and construction services are contracted by a single entity known as the design–builder or design–build contractor. While HB 6821 appears to relax some restrictions originally placed on Design-Build, it should be noted that Connecticut initiated Design-Build with the understanding that there would be pilot projects to evaluate the effectiveness of the option. At this point no Design-Build projects have been completed and there is no useful data to evaluate the process in Connecticut.

Design-Build has been utilized in other states and I would like to highlight some concerns that have been raised with regards to the process.

Oversight

Oversight of design build projects is incredibly important to prevent cost overruns. Our State has no experience with design build and farming more work out to consultants without any additional oversight is a recipe for disaster. State workers must be involved from start to finish. Scrutiny above and beyond what is required for a traditional Design-Bid-Build project is required.

Transparency

Our traditional Design–Bid–Build method relies on a low bid system. The State requests prices from pre-qualified contractors to perform the work, and the lowest qualified bidder is awarded the contract. The awards of Design-Build and Construction-Manager-at-Risk projects are based upon a pre-determined qualitative basis and will not necessarily go to the lowest bidder. Transparency in the process is required at the procurement, award and administration of these projects to prevent fraud.

Accountability

The Design-Build and Construction-Manager-at-Risk options for administering projects are new to Connecticut. Objective reporting of these projects is required at the onset, during and after these projects in order for the Department to fine-tune the process. Other states require an annual report on each Design-Build project. For instance, In Missouri the commission is required to make a status report to the general assembly and governor following the award of the design-build project as an individual component of the annual report.

The General Assembly needs to understand that Design-Build should only be used as a crutch while the State ramps up hiring in DOT. Our over dependence on consultants costs tax dollars and is putting our institutional knowledge base at risk.

If this bill passes as-is, Connecticut will have the least restrictive Design-Build/Construction-Manager-at-Risk statutes in the nation. For a state that is very new to this process, that's a very precarious road to take. I urge the committee to look closely at the proposed new language in Section 5 of this bill. In its current form, it is too broad and does not provide sufficient safeguards from some of the very real drawbacks inherent to the Design-Build process.

Thank you for your attention to my testimony.

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