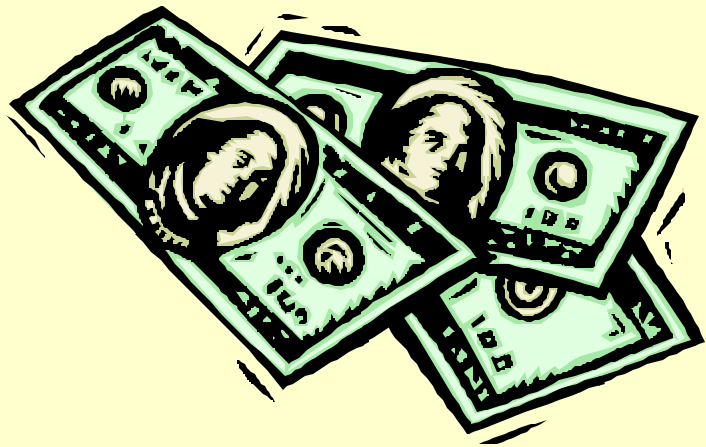


Estimating Peer Review





Overview



- Review estimating and bid analysis procedures
- Determine expectations
- Recommend improvements
- Implement change



Background



- Senior Management request
- Contractor complaints
- MoDOT cost accountability



Peer Review Panel



- John Atkinson – University of MO
- George Bradfield – Georgia DOT
- Chris Eales – HNTB
- Jeff Hisem – Ohio DOT
- John Kidd – Oklahoma DOT
- Donald McDonald – Const. Perfm. Spec.
- Dan Van Gilder – FHWA
- Ted Walschleger – Illinois DOT



Focus Groups



Groups we directly affect:

- MoDOT District Personnel
- MoDOT Senior Management
- General Contractors

Peer Review Panel Recommendations



- Estimating Processes
- Bid Analysis
- Documentation
- Staffing

Peer Review Panel Recommendations



- Estimating Processes

Peer Review Panel Recommendations



Engineer's Estimate by definition:

- A Benchmark used for Evaluating Bids Received at the Letting
- A Fair Market representation of the cost to perform the work

Engineer's Estimate should not be:

- A prediction of the low bidder's price

Peer Review Panel Recommendations



- **Estimating Processes**

Is MoDOT's process for Engineer's Estimates comparable to Industry Standards?

- No Industry Standard
- Process is in line with other State DOT's Best Practices

Peer Review Panel Recommendations



- **Estimating Processes**
 - Time is insufficient
 - Better communication with District staff
 - Software tools are not fully utilized
 - More cost based estimating

Peer Review Panel Recommendations



- **Estimating Processes**
- Expand the capabilities of “in-house” software (Estimate 2000)
- Improved documentation and modification of line items from Districts

Peer Review Panel Recommendations



- Estimating Processes
- Level-out monthly bid lettings
 - Better timing of Contract Awards

Peer Review Panel Recommendations



- Estimating Processes
- Level-out monthly bid lettings
 - Better timing of Contract Awards
 - Balanced estimating load each month

Peer Review Panel Recommendations



- Estimating Processes
- Level-out monthly bid lettings
 - Better timing of Contract Awards
 - Balanced estimating load each month
 - Allows for improved competition

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**

Is MoDOT's process for Bid Analysis comparable to Industry Standards?

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**

Is MoDOT's process for Bid Analysis comparable to Industry Standards?

- No Published Industry Standard

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**

Is MoDOT's process for Bid Analysis comparable to Industry Standards?

- No Published Industry Standard
- MoDOT follows the Best Practices of other DOT's

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**

Is MoDOT's process for Bid Analysis comparable to Industry Standards?

- No Published Industry Standard
- MoDOT follows the Best Practices of other DOT's
- Decision to award/reject a bid should be flexible

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
 - Better communication to Districts prior to bid rejections

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
 - Better communication to Districts prior to bid rejections
 - Formal process to debrief bidders after bid is rejected

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
 - Better communication to Districts prior to bid rejections
 - Formal process to debrief bidders after bid is rejected
 - Consider soliciting low bidder project specific information prior to awarding or rejecting a bid

Peer Review Panel Recommendations



- Estimating Processes
- Bid Analysis
- Documentation

- District Documentation:
 - Better tabulation of quantities

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**

- **District Documentation:**
 - Better tabulation of quantities
 - Support information for prices

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**

- **District Documentation:**
 - Better tabulation of quantities
 - Support information for prices
 - Project facts and assumptions

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**

- Improved Unit Bid Price book

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**

- Improved Unit Bid Price book
- Share field information between groups

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**

- Improved Unit Bid Price book
- Share field information between groups
- Provide training to District staff

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**
- **Staffing**
 - Increase staffing for proper estimating

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**
- **Staffing**
 - Increase staffing for proper estimating
 - Increase estimating training for staff

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**
- **Staffing**
 - Increase staffing for proper estimating
 - Increase estimating training for staff
 - Continuous training of District will promote teamwork, productivity and accuracy

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**
- **Staffing**
 - Establish estimator positions in districts

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**
- **Staffing**
 - Establish estimator positions in districts
 - Structure pay grades to provide upward mobility and stability

Peer Review Panel Recommendations



- **Estimating Processes**
- **Bid Analysis**
- **Documentation**
- **Staffing**
 - Establish estimator positions in districts
 - Structure pay grades to provide upward mobility and stability
 - Establish trainee/technician level positions to gain productivity at a lower cost

MoDOT's Recommendations



- Estimating staff agrees with most items
- In-line with other audits/studies
- Staffing + confidentiality = major hurdle
- Too soon to resolve many issues



Conclusions



- Sharing of new ideas
- Constructive criticism is good
- Break paradigms
- Start of better internal communication



Questions?



Bruce Green – MoDOT

greenb@mail.modot.state.mo.us

Diane Heckemeyer – MoDOT

hecked1@mail.modot.state.mo.us