



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

Office of the Director

Rm 135

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Salem, Oregon 97301-3871

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FILE CODE:

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The Oregon Department of Transportation (ODOT) appreciates the thoughtful insights regarding the implementation of Program Management on the Oregon Transportation Investment Act (OTIA) bridge program. Many of the thoughts will take some time to work through, and ODOT is committed to working with the American Council of Engineering Companies of Oregon (ACEC) as we address them.

ODOT believes that Program Management can work and likely will be necessary to deliver projects if substantial new transportation funding is made available. We recognize that we entered our first Program Management scenario with little planning, and we have learned much as we have worked through its implementation. As we approach the next legislative session, we will work closely with ACEC and our Associated General Contractors (AGC) partners to describe in some specificity how we will implement a new funding package before the package passes.

In terms of the specific issues raised in the ACEC lessons learned letter, ODOT has some things underway now, and directions that we look to head in the future. I think that two broad steps ODOT is taking address all of the specific issues that were raised. Rather than respond issue by issue, the following explains the two broad initiatives that relate to the concerns.

First, ODOT will fundamentally change the way a Program Management firm is used. We will not use them as an intermediary as we have with the Oregon Bridge Delivery Partners (OBDP). All contracts will be with ODOT directly, and not on Program Manager "paper". ODOT envisions a more appropriate role for a Program Manager as an advisor/assistant to ODOT, bringing expertise in estimating, negotiating, executing, and assisting in oversight and tracking contracts and program progress, but not as directly managing the contracts. In this scenario, both ODOT and Program Management personnel would be at meetings to discuss direction and review products. We believe this structure would put ODOT clearly in charge, and bring clarity and consistency to the issues that were raised around negotiation, review of submittals and deliverables, and assignment of risk for inspection as the Program Manager would not actually be doing

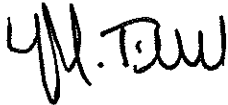


work in their role as Program Manager. We aren't ready to rule out the possibility that a firm may be the program manager and under separate contract be doing some work on specific projects, but are happy to engage ACEC in a discussion of the merits of doing so.

Second, ODOT is committed to working with ACEC in advance of the next legislative session to craft the best strategy for delivery of projects funded with new revenues. ODOT envisions this work occurring through the ODOT/ACEC working committees that have been put in place to deal with a number of issues, including overheads and fees, and expectations of commitments to training and proposals needed by ACEC members. A recent communication error aside, ODOT believes that the committees have yielded many good suggestions, which have been implemented. ODOT is committed to continuing to work collaboratively with ACEC on any new or unresolved issues.

Again, the Oregon Department of Transportation appreciates the effort by the American Council of Engineering Companies of Oregon to clearly outline the concerns. We hope that the steps outlined above do indeed address the issues. We know that we will get a better solution by working together, and that a good working relationship is key to delivering projects at the least cost to the taxpayers of Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Tindall". The signature is written in a cursive, somewhat stylized font.

Doug Tindall
Deputy Director, Highway Division