

## ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

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North Dakota Department of Transportation  
Ron Henke, P.E., Office of Project Development Director

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Mr. Chairman and members of the committee. I'm Ron Henke, Office of Project Development Director for the North Dakota Department of Transportation. I'm here today to provide some information as it relates to design-build.

In this past Legislative session a bill was passed giving the Director of the North Dakota Department of Transportation the ability to try the design-build method of contract delivery by combining the design and construction element of a project into a single contract. To give you a little background, the Department's traditional contract delivery system for all highway projects is design-bid-build. This process requires the Department to design the project, advertise and receive bids from contractors, and then award the contract to the contractor with the lowest bid who then builds the project. With the design-build method of contract delivery, the Department would solicit bids from firms to design and build the project under a single contract.

So where are we at today? The Department has worked with representatives from the American Council of Consultants (ACEC) and the Association of General Contractors (AGC) to develop the procurement procedures that will be used for the design-build projects, and those procedures have been completed. We are still in the process of reviewing possible candidate projects for the signal light project and the box culvert structure.

There is also some interest in the cost of bidding a design-bid-build project in relation to design-build. There are costs associated with designing, bidding, and awarding a contract. For example, a \$300,000 box culvert would be approximately \$20,000 to \$25,000. Although we have not done a design-build project, there are costs to advertise the RFQ and RFP, costs to evaluate the proposals and award the contract, and costs in designing the project. We see that these costs will be similar to the costs associated with our current process.

Finally, we as an agency are responsible to look for new ways of doing business to continue to make our organization as efficient and effective as possible. We hope that at the end of the evaluation period, we will be able to determine if the design-build method of contract delivery will be beneficial to North Dakota, what if any changes need to be made to the procurement procedures, and a better understanding of the pros and cons of the design-build method of contract delivery.