

Ontario Ministry of Transportation

General Information	
Contact Information	<p>Brenda Liegler DB Coordinator Ministry of Transportation Ontario (MTO) 524 Belmont Ave W, Kitchener, ON N2M 5E3, Canada Brenda.Liegler@ontario.ca</p>
Relevant Statute	<ul style="list-style-type: none"> No legislative authority needed in Canada related to use of DB or to DB projects
DB Program Characteristics	<ul style="list-style-type: none"> Mid to late 90s there were a few projects - 5 regional offices split DB Current office started in 2010 Have done approximately 60 DB projects out of 100-150 per year over 5 years DB Project size ranges from \$0.5 M \$55M. Larger or megaprojects are typically P3
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Dedicated DB Program Staff	<ul style="list-style-type: none"> Head office has 8 staff dedicated to alternative contracting Went through several initiatives including dedicated DB teams, but didn't fully act on it Same PM s are typically assigned to DB. The staff must be hard wired for DB but no official policy Head office responsible for templates, and assign HQ team staff to help with DB development Traditional projects are very decentralized. DB and alternative projects are more centralized
Outsourcing	<ul style="list-style-type: none"> Depends on projects. Consultants are hired to develop DB ready packages for larger projects, Consultants are used for larger projects. All contract admin was done in-house for DB , but trending towards more consultant use After the first 3 projects, scaled back consultant use – now use consultants only for support.
DB Project Team Makeup	<ul style="list-style-type: none"> Head office has 8 staff responsible for templates, and assign HQ team staff to help with DB development Same PM s are typically assigned to DB. The staff must be hard wired for DB but no official policy
Internal Issues Related to DB Use	<p>Some still question the model – why should we do something differently? Lack of understanding of changes in owner and design-builder responsibilities and risks with the DB model</p>
Industry Issues Related to DB Use	<ul style="list-style-type: none"> Typical complaints are: <ul style="list-style-type: none"> Smaller contractors say they can't compete on larger projects Design firms won't partner with Contractors (don't like being treated as a sub) Contractors like exclusive relationships and some designers don't like Prequalification system sets up contractors as prime Some members of the Ontario Roadbuilders Association don't like procurement process

Procedural Guidance and Template Documents	<ul style="list-style-type: none"> Developed a DB RFP template for consistency Reference materials – design manuals, etc., in some cases conflict with the RFP requirements. Many manuals provide minimum requirements or options but the actual design requirements in the RFP never specify the minimum requirements. For DB, some DB firms bid the minimum, or cheapest option. DB Ready Guidelines (the MTO version of a DB Manual) are more of a thought process based on project requirements. We continue to make improvements based on industry feedback MTO recently developed and published a DB Contract Administration Manual in 2014 with detailed guidance for roles and responsibilities, design and construction contract administration, and inspection.
Training	Combination of on the job and classroom DB training Technical evaluation training

Selection of Project Delivery Method	
Drivers for Using DB	Improved risk allocation, innovation, and speed of delivery are the primary drivers,
Process and Tools	<ul style="list-style-type: none"> Just finalizing a DB selection tool – spreadsheet with logic
Key Considerations	<ul style="list-style-type: none"> Selection tool includes risk-related Qs based on project risk with mitigating measures. Not bullet proof
Entity Making the Delivery Decision	Not discussed

DB Project Development	
Project Development Activities	<ul style="list-style-type: none"> DB ready guidelines are more of a thought process based on project requirements. The level of design may vary considerably based on project goals, procurement option. CA agencies not limited by same permitting requirements as US agencies, though environmental permitting is still an issue affecting the level of design and the release for the RFP
Use of Performance Requirements	<ul style="list-style-type: none"> Performance specifications provide options, which may conflict with standard manuals. Issue - many manuals require minimum requirements but actual designs never built to minimum. For DB some DB firms bid the minimum, or cheapest option Regional preferences also come into play. e.g. eastern region always will pick one option
Lessons Learned	Not discussed

Procurement Process	
Delivery Options	<ul style="list-style-type: none"> DB Minor – one or two step technically compliant DB, or Low Bid DB. DB Major 2-step Best-Value DB (larger projects where innovation sought)
Procurement Steps	<p>DB Major - A two-step best-value process.</p> <ul style="list-style-type: none"> Step 1: Issuance of RFQ and short-listing Step 2: Issuance of an RFP requesting a technical proposal. During the proposal stage, MTO may meet with short-listed to proposers to discuss and evaluate ATCs. Evaluation of proposals and selection based on an adjusted price formula <p>DB Minor – one or two-step process. One-step process is similar to low bid procurements. Two-step process includes a short-listing similar to DB Major</p>
Selection Method	Adjusted Price Method – i.e. bid price/tech score

Bundling DB Projects	<ul style="list-style-type: none"> • N/A
Use of Alternative Technical Concepts (ATC)	<ul style="list-style-type: none"> • Yes – use ATCs for DB major projects – thinking about using on minor DB projects • Criteria says it has to be cost-effective (not going to cost more). Have struggled with ATCs that cost more initially but will result in long-term savings through reduced maintenance costs
Stipends	<ul style="list-style-type: none"> • Stipends are based on a % formula (range)
Other Comments	<ul style="list-style-type: none"> • Tech evaluation team members must sign confidentiality agreement – one case where there was a grievance and changed program to include mandatory training on technical evaluations

Risk Allocation	
Risk Management Philosophy	<ul style="list-style-type: none"> • Table in RFP breaks down risk allocation. Either owner or contractor risk (try not to share) <ul style="list-style-type: none"> ○ Allocate risks to the party best able to manage them ○ Allocate in alignment with the Project goals ○ Share risk when appropriate to accomplish Project goals • Haven't had major issues risk allocation; Change Orders have been reduced • Couple of claims on subsurface (pile driving) but subsurface information was accurate so claims denied
Differing Site Conditions	<ul style="list-style-type: none"> • Differing Site Condition has some level of sharing – allow bidders to do additional investigations in some cases • Time period for MTO investigations of site conditions was increased from 30 to 60 days to confirm the information and to allow the MTO to mitigate the impact of the differing site condition
Permitting	<ul style="list-style-type: none"> • MTO provides initial environmental permits and responsible for unforeseen environmental conditions arising during work • DB team responsible for any design changes that require permit modifications
Utilities	<ul style="list-style-type: none"> • MTO provides utility relocations prior to contract and DB team responsible for verifying • DB team responsible for utility coordination
Right-of-Way	<ul style="list-style-type: none"> • Property acquisition and limits handled by MTO • DB Team responsible for property access (easements) based on design
Third Parties	<ul style="list-style-type: none"> • MTO responsible for identification of initial 3rd party impacts • DB team responsible for: <ul style="list-style-type: none"> ○ First Nations and local government Issues (beyond what is identified in the RFP) ○ Unforeseen Delays by Third Party/Other ○ Public Relations/Communications during Design & Construction

DB Contract Administration	
Design Oversight	DB Contract Admin Manual specifies role and responsibilities for Design and Construction staff. Developed based on existing CA manual – added in design piece

Construction Oversight and Quality Management	<ul style="list-style-type: none"> • Use contractor test results in acceptance for all types of projects • Contractors responsible for quality management but MTO still has to provide oversight to make sure work complies with contract • Developed some performance specifications for DB - oversight and testing is less when using these specs. A Highway Project had issues related manufacturing of NU girders to limited oversight so more emphasis on construction oversight
Payment	<ul style="list-style-type: none"> • Not discussed
Best Practices and/or Lessons Learned	<ul style="list-style-type: none"> • Use of ATCs for DB minor is a goal • Want to develop an approach to address ATCs that cost more • MTO has experimented with CM/GC for 5 projects – One of the challenges is with transparency of procurement (one team that gets to be sole bidder for construction piece. Also 3-4 contracts have been awarded • For 60 DB projects, have had 22 contractors in the bidding pool (a good pool for competition)

Performance Outcomes	
Tracking of Metrics	Project construction report (tracks COs number, cost, infractions, schedule issues) For DB no reports generated yet – data generally shows significant reduction in COs
Success Factors	<i>Primary Success Factors</i> <ul style="list-style-type: none"> • Improved risk allocation • Opportunity for innovation • Time savings (including procurement) • Equal or better quality • Cost and schedule certainty (not cheaper but better understanding of cost/schedule at an early stage)