



October 6, 2016

Commissioner Brandye Hendrickson  
Indiana Department of Transportation  
100 North Senate Avenue, Room N758  
Indianapolis, IN 46204

Dear Commissioner Hendrickson,

The use of public-private agreements (PPAs) along with the Design-Build/Best-Value (DB-BV) project delivery method are increasingly being utilized for delivery of *conventional* road and bridge construction projects in Indiana. INDOT has stated the benefit of using this alternative delivery method is twofold, cost and schedule savings. However, ICI and ACEC members are experiencing increasing non-recoverable pre-bid expenses, decreasing reliability of INDOT provided reference information documentation (RID), and increased owner to design-builder risk transfer. All contribute to increased costs to the state.

ICI and ACEC recognize that PPAs used in conjunction with P3 / DB-BV project delivery method may have merits for appropriate multi-faceted, complex, large capital projects where INDOT and the taxpayers of the state could benefit directly from untethered innovation. Industry's recent experiences have spurred the creation of a joint task force to identify key improvement opportunities pertaining to PPAs. We invite INDOT to join the Task Force and discuss the following topics:

- Project Selection project types best suited for alternative delivery
- Development of contract terms that are consistent with the desired transferred risk level.
- Scoping/Preliminary Plans – the amount of information provided to the Design Builder by INDOT and the ability to rely on all RID.
- Alternative Technical Concepts – Process and approval timing
- Stipends – Dollar amount vs pre-bid work expected by INDOT, i.e., required in Technical Proposal and Fee Proposal effort.
- Conflicts of interest
- Project Specific Liability Insurance - should be required
- Scoring criteria and results transparency
- Interpretation of the Specification Manual – Uniformity, not by District
- Construction phase unforeseen conditions, policies and procedures
- INDOT – Alternative Delivery procurement management - formation of a core group at INDOT that manages the P3 and Alternative Delivery Program, i.e., D-B and DB-BV, in two distinctly different manners.

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We believe a joint group, comprised of industry professionals, contractors and INDOT representatives, can improve the overall alternative delivery program by working together on the above items, ultimately leading to savings for the State of Indiana.

We look forward to meeting with you in the near future, and thank you in advance for your cooperation on this important topic.

Sincerely,



Cheryl Cunningham, P.E.  
President, ACEC Indiana



Terry Morgan  
Chairman, ICI