

APPENDIX A

Survey Questionnaire

PART 1

SECTION ONE—DETERMINING WHETHER TO CONTRACT

1. Are some activities contracted out because of legal or policy requirements? If so, please describe the activities and nature of the requirements.
2. What other considerations either force or encourage a decision to contract out?
3. What cost comparison analyses are used in the decision process and what items are typically included? (Please provide sample forms if used.)
4. Are other standard procedures used to determine whether to contract out an activity? Please describe and/or provide sample forms.
5. What factors or considerations, if any, work against a decision to contract out an activity?
6. Do current policies or legislation suggest that a greater amount of contracting out of highway services will occur in the future?

SECTION TWO—CONTRACTING PROCEDURES

PRE-AWARD STAGE

1. Please check methods by which contract services are obtained:
 - a. Low bid
 - b. Negotiate fee
 - c. Sole source
 - d. Other (please describe)
2. How are risk sharing and/or liability questions resolved in the contracting process?
3. If alternative bids or value engineering proposals by contractors are permitted, please describe any related restrictions, criteria, and specifications that apply.
4. What incentives/disincentives (e.g., liquidated damages) are typically part of contract time controls?

POST-AWARD STAGE

1. Does the location (i.e., central administration or functional division) of contract management (e.g., management of change orders, claim evaluation, payments, incentives/disincentive, etc.) vary according to the type of contract (e.g., low bid, negotiated fee, etc.) or nature of activity being contacted? Please give examples.
2. Is contract monitoring (inspection, sampling, testing, other quality assurance) performed by functional divisions or other departmental units? Please describe.

3. What procedures exist to deal with inadequate performance, lack of responsiveness, or delays in completion by contractors? Who implements them? Please describe.
4. Which departmental units are responsible for contract completion and acceptance procedures, and administration of guarantees and warranties?
5. Are procedures for contractor performance evaluation formalized? (Please provide sample forms if used.)
6. How are such evaluation reports subsequently used, as in pre-qualification procedures, for example?

SECTION THREE—EVALUATION OF CONTRACTING PROGRAMS

1. Is the Department satisfied with results obtained from contracted services? (1 is not satisfied, 10 is totally satisfied.)
2. Please identify the general benefits from contracting out that typically ensue to the following groups:
 - a. To the Department
 - b. To the contracting industry
 - c. To the general public
3. Are some contracted activities more successful at providing benefits than others? If so, which?
4. Does the type of contractor chosen (e.g., general, specialty, minority, another public agency, nonprofit private organization, etc.) affect the success achieved? If so, which choices provide the greatest benefits?
5. Does the contracting method used (e.g., low bid, sole source, negotiated fee, etc.) influence the levels of success achieved? If so, which methods produce the greatest benefits?
6. What problems have been experienced as a result of contracting out highway services? Can problems be related to any of the following influences?

The type of activity contracted? If so, which?

The type of contractor chosen? If so, which?

The selected contracting method? If so, which?

The contract management procedures? If so, which?
7. Are cost-effectiveness or cost/benefit analyses used to compare the success of contracting programs with in-house performance of the same tasks? Can examples of such comparative studies be provided?
8. Have studies evaluated the impact of contracting out on the size and makeup of departmental staffs? Are such findings available?

SECTION FOUR—PUBLIC-PRIVATE PARTNERSHIPS AND OTHER SPECIAL CASES

1. Does special legislation exist to facilitate the development of public-private partnerships?
2. Please identify any projects that might be characterized as public-private partnerships (e.g., private toll roads, turnkey projects, joint development, etc.).
3. Can detailed information or reference material be provided for review?

4. Does the state provide contracted services to the private sector in any partnerships?

PART 2

ACTIVITIES

Each of the activities in the following list was surveyed using the survey document beginning on the following page.

Administration

- Training
- Staff Programs
- Database Management
- Other

Construction

- Construction Engineering/Inspection
- Materials Testing
- Other

Design

- Surveying and Mapping
- Location Studies
- Engineering/Design
- Environmental Impact Studies
- Design/Build (program management)
- Program Management (non-Design/Build)
- Other

Maintenance

- Roadway Surfaces
- Shoulders
- Roadside
- Drainage
- Bridges
- Traffic Signals
- Traffic Signs
- Other

Operations

- Pavement Markings
- Sign Installation
- Signal Installation
- Intelligent Transportation Systems
- Traffic Information Services
- Toll Collection
- Other

Planning

- Non-Highway Studies
- Traffic Surveys
- Traffic Studies
- Research Projects
- Other

Right-of-Way

- Appraisals
- Acquisitions
- Relocations
- Other

PART 2**SURVEY DOCUMENT**

a. Please describe the activities outsourced.

b. Year begun:

1950s	1960s	1970s	1980s	1990s	2000s

c. Percent contracted:

0–19%	20–39%	40–59%	60–79%	80–99%	100%

d. Has the amount of outsourcing done for this activity changed in the last 5 years?

Increased	Decreased	Stayed the same

e. Will the amount of outsourcing done for this activity change in the next 2 years?

Increase	Decrease	Stay the same

f. Annual volume:

\$0–\$99 (000s)	\$100–\$499 (000s)	\$500–\$999 (000s)	\$1–\$1.99 (million)	\$2–\$4.99 (million)	\$5–\$9.99 (million)	\$10+ (million)

g. Contract with:

General contractor	Specialty contractor	Consultant	Minority or disadvantaged contractor	Another public agency	Other

h. Are contractors pre-qualified? Yes ____ No ____

i. Are pre-award procedures handled by central management or by the functional unit normally involved in the activity?

- a. Central management ____
 b. Functional unit ____
 c. Both ____

APPENDIX B

States Responding to the Survey

Survey Respondents	Part 1	Administration	Construction	Design	Maintenance	Operations	Planning	Right-of-Way
Arizona	x	x	x		x	x	x	x
Arkansas								x
Colorado		x					x	x
Connecticut	x	x	x	x	x		x	x
Delaware		x	x		x			
Dist. of Columbia					x		x	
Florida	x	x	x	x			x	x
Hawaii	x	x						
Illinois	x			x	x	x		x
Indiana			x	x	x			x
Iowa	x		x	x	x	x	x	x
Kansas	x		x		x			x
Kentucky		x	x				x	x
Louisiana			x					
Maine			x	x		x	x	x
Maryland			x	x	x			x
Massachusetts	x	x	x		x		x	x
Michigan					x			x
Minnesota			x			x		x
Mississippi			x		x		x	
Missouri	x	x	x	x	x	x	x	x
Montana	x	x			x			x
Nebraska			x					
Nevada			x	x			x	
New Hampshire		x	x			x	x	x
New Jersey			x				x	x
North Dakota			x			x	x	x
Ohio		x						
Oregon					x	x		
Rhode Island					x	x	x	
South Carolina	x	x		x		x		x
South Dakota							x	
Tennessee	x	x		x	x	x	x	x
Texas			x	x	x	x		x
Utah	x	x			x		x	x
Vermont		x			x	x		x
Washington		x	x	x	x	x	x	x
West Virginia		x	x		x		x	x
Wyoming			x	x		x	x	x

Notes: Data do not indicate whether or not a state outsourced an activity, only which states responded to the survey document and which part they responded to. A total of 38 states and the District of Columbia responded.

APPENDIX C

Past and Current Findings

The following four tables from *NCHRP Synthesis 246: Outsourcing of State Highway Facilities and Services (1997)*, C1–C4, are included for comparative purposes.

TABLE C1
INCEPTION OF OUTSOURCING, RESPONSES BY ACTIVITY GROUP

Activity Group	Before 1950	1950s	1960s	1970s	1980s	1990s
Administration	0	1	1	6	10	5
Planning	3	0	11	6	9	11
Design	3	8	12	15	15	10
Right-of-Way	2	3	8	3	7	8
Construction Management	0	1	5	1	10	9
Operations	2	5	4	13	14	14
Maintenance	0	1	9	44	32	16
Other	1	1	3	4	15	10
Total	11	20	53	92	112	83

Notes: Original Table 3 in *NCHRP Synthesis 246*.

TABLE C2
DOLLAR AMOUNTS OUTSOURCED, RESPONSES BY ACTIVITY

Activity Group	Dollars (\$)						
	0–99,000	100,000–499,000	500,000–999,000	1 million–1.99 million	2 million–4.99 million	5 million–9.99 million	10+ million
Administration	3	12	3	4	1	0	0
Planning	2	13	9	7	6	2	0
Design	2	9	7	6	11	4	9
Right-of-Way	8	7	7	4	4	1	0
Construction Management	1	4	3	1	2	2	6
Operations	2	3	5	9	18	6	4
Maintenance	3	16	25	11	20	13	24
Other	1	11	6	4	5	1	4
Total	22	75	65	46	67	29	47

Notes: Original Table 6 in *NCHRP Synthesis 246*.

TABLE C3
CONTRACTOR PAYMENT METHOD, RESPONSES BY ACTIVITY

Activity Group	Unit Price	Lump Sum	Cost Plus	Hourly	Other
Administration	8	14	6	8	1
Planning	5	15	16	4	2
Design	10	36	52	13	2
Right-of-Way	18	11	8	18	1
Construction Management	8	4	14	11	0
Operations	32	15	11	3	0
Maintenance	82	39	12	17	0
Other	11	13	7	8	2
Total	174	147	126	82	8

Notes: Original Table 9 in *NCHRP Synthesis 246*.

TABLE C4
FACTORS INFLUENCING CONTRACT DECISION, RESPONSES BY ACTIVITY

Activity Group	Legal Requirements	Policy Directive	Staff Constraints	Cost Comparison	Specialized Skill	Other
Administration	5	13	23	7	19	1
Planning	0	9	30	5	22	1
Design	2	25	70	6	31	0
Right-of-Way	3	13	33	3	13	0
Construction Management	0	10	27	2	7	0
Operations	1	20	32	3	19	3
Maintenance	4	57	56	30	52	1
Other	11	12	21	4	12	3
Total	26	159	292	60	175	9

Notes: Original Table 10 in *NCHRP Synthesis 246*.

The following tables (C5–C11) from the current research give additional insight into the state of the outsourcing.

TABLE C5
ADMINISTRATION ACTIVITY SATISFACTION

Activity	Rating
Training	7.31
Staff Programs	9.00
Database Management	6.00
Other	8.46
Average	7.69

Notes: Ratings are on a scale of 1 to 10, with 1 = very dissatisfied and 10 = very satisfied.

TABLE C6
CONSTRUCTION ACTIVITY SATISFACTION

Activity	Rating
Construction Engineering	6.09
Materials Testing	7.38
Other	6.78
Average	6.75

Notes: Ratings are on a scale of 1 to 10, with 1 = very dissatisfied and 10 = very satisfied.

TABLE C7
DESIGN ACTIVITY SATISFACTION

Activity	Rating
Surveying and Mapping	6.90
Location Studies	6.89
Plans and Specifications	7.33
Environmental Impact Studies	6.64
Design/Build	7.60
Program Management	7.36
Engineering/Design	7.09
Other	6.60
Average	7.05

Notes: Ratings are on a scale of 1 to 10, with 1 = very dissatisfied and 10 = very satisfied.

TABLE C8
MAINTENANCE ACTIVITY SATISFACTION

Activity	Rating
Roadway Surface	8.00
Roadside	7.13
Drainage	7.57
Bridges	8.12
Traffic Signals	7.00
Traffic Signs	7.25
Other	7.81
Average	7.55

Notes: Ratings are on a scale of 1 to 10, with 1 = very dissatisfied and 10 = very satisfied.

TABLE C9
OPERATIONS ACTIVITY SATISFACTION

Activity	Rating
Pavement Markings	7.00
Signal Installation	7.36
Sign Installation	6.42
Intelligent Transportation System	7.15
Toll Collection	8.00
Traffic Information Services	8.75
Other	8.20
Average	7.55

Notes: Ratings are on a scale of 1 to 10, with 1 = very dissatisfied and 10 = very satisfied.

TABLE C10
PLANNING ACTIVITY SATISFACTION

Activity	Rating
Traffic Surveys	7.00
Nonhighway Activities	7.14
Traffic Studies	6.88
Research	7.13
Other	7.78
Average	7.19

Notes: Ratings are on a scale of 1 to 10, with 1 = very dissatisfied and 10 = very satisfied.

TABLE C11
RIGHT-OF-WAY ACTIVITY SATISFACTION

Activity	Rating
Appraisals	7.15
Acquisitions	6.42
Relocation	5.57
Other	7.28
Average	6.61

Notes: Ratings are on a scale of 1 to 10, with 1 = very dissatisfied and 10 = very satisfied.

The following tables (C12–C18) show which states currently outsource the various activities.

TABLE C12
STATES OUTSOURCING ADMINISTRATION ACTIVITIES

State	Training	Staff Programs	Database Management
Arizona	Y	Y	Y
Connecticut	Y		N
Florida	Y		
Hawaii	Y	Y	Y
Kentucky	Y		
Massachusetts	Y		Y
Missouri	Y	Y	Y
Montana	Y	Y	
Nevada	N		
New Hampshire	Y	N	N
Ohio	Y	N	
South Carolina	Y	N	N
Tennessee	Y	Y	Y
Utah	Y		
Vermont	Y		Y
Washington	Y	N	N
West Virginia	Y	Y	

Notes: Responses to the question: Does your state outsource this activity? Y = yes; N = no.

TABLE C13
STATES OUTSOURCING CONSTRUCTION ACTIVITIES

State	Construction Engineering	Materials Testing
Florida	Y	Y
Indiana	Y	Y
Iowa	Y	
Kansas	Y	
Kentucky	Y	Y
Louisiana		N
Maine		
Maryland	Y	Y
Massachusetts		
Minnesota	Y	Y
Mississippi	Y	
Montana		Y
Nebraska	Y	
New Hampshire		Y
West Virginia	Y	

Notes: Responses to the question: Does your state outsource this activity? Y = yes; N = no.

TABLE C14
STATES OUTSOURCING DESIGN ACTIVITIES

State	Surveying and Mapping	Location	Plans and Specifications	Environmental Impacts	Design/Build	Program Management	Engineering/Design
Connecticut				Y	N	Y	Y
Florida	N				Y	Y	Y
Illinois	Y	Y	Y	Y	N	Y	
Indiana	Y	N		N	Y		Y
Iowa	Y	Y		Y	N	N	Y
Maine	Y	Y	Y	Y	Y	Y	
Maryland	Y	Y		Y	Y	Y	Y
Missouri	Y	Y		Y	N	Y	Y
Nevada	Y			Y	N	N	Y
South Carolina	Y	Y	Y	Y	Y	Y	
Tennessee		Y		Y	N	N	Y
Texas		Y	Y	Y	Y	Y	Y
Washington		Y		Y	Y	Y	Y
Wyoming		Y		Y	N	Y	Y

Notes: Responses to the question: Does your state outsource this activity? Y = yes; N = no.

TABLE C15
STATES OUTSOURCING MAINTENANCE ACTIVITIES

State	Roadway		Drainage	Bridges	Traffic	Traffic
	Surface	Roadside			Signals	Signs
Arizona	Y	Y	N	N	Y	N
Connecticut	Y	Y	Y	Y	Y	N
Delaware	Y	Y	Y	Y	N	N
Dist. of Columbia		Y		Y		
Illinois	Y	Y	Y	Y	Y	Y
Indiana	Y	Y	Y	Y	Y	N
Iowa	Y	Y	Y	Y	N	Y
Kansas		Y	N	Y	N	N
Massachusetts		Y				
Michigan					Y	
Mississippi	Y	Y	N	Y		
Missouri	Y	Y	Y	Y	N	
Montana	Y	Y	Y	Y	Y	N
Oregon	Y	Y	Y	Y	Y	Y
Rhode Island	Y	Y	Y	Y	N	N
Tennessee	Y	Y	Y	Y	Y	Y
Texas	Y	Y	Y	Y	Y	Y
Utah	Y	Y	Y	Y	N	Y
Vermont	Y	Y	Y	N	Y	N
Washington	Y	N	N	Y	N	N
West Virginia	Y	Y	Y	Y	Y	

Notes: Responses to the question: Does your state outsource this activity? Y = yes; N = no.

TABLE C16
STATES OUTSOURCING OPERATIONS ACTIVITIES

State	Pavement	Signal	Sign	ITS	Toll	Traffic Information
	Markings	Installation	Installation		Collection	Services
Arizona	Y	Y	Y	Y	N	N
Connecticut		N	Y	Y	N	N
Illinois	Y	Y	Y	Y	Y	N
Iowa	Y	Y	Y	Y	N	N
Maine	Y	Y	Y	Y	N	N
Massachusetts	Y	Y	Y	Y	N	Y
Minnesota	Y	Y	N	Y	N	Y
Missouri	N	Y	Y	Y		N
New Hampshire	Y	Y	Y	Y	Y	N
North Dakota	Y	Y	Y	Y	N	Y
Oregon	Y	Y	Y	Y	N	N
Rhode Island		Y		Y	Y	Y
South Carolina	Y	Y	Y	Y	N	Y
Tennessee	Y		Y		N	Y
Texas	Y	Y	Y	Y		N
Vermont	Y	Y	Y	Y	N	Y
Washington	N	Y	Y	Y	N	N

Notes: Responses to the question: Does your state outsource this activity? Y = yes; N = no; ITS = Intelligent Transportation Systems.

TABLE C17
STATES OUTSOURCING PLANNING ACTIVITIES

State	Traffic Surveys	Nonhighway Studies	Traffic Studies	Research
Arizona	Y	Y	Y	Y
Colorado	Y	Y		Y
Connecticut	N	Y		Y
Dist. of Columbia	Y	Y	Y	Y
Florida	Y	Y	Y	Y
Iowa	N	Y	Y	Y
Kentucky	Y	Y	Y	Y
Maine	Y	Y	Y	Y
Massachusetts	N	N	Y	Y
Mississippi	Y			
Missouri	Y	Y	N	Y
Nevada	N		Y	Y
New Hampshire	Y	Y	Y	
New Jersey	Y	Y	Y	N
North Dakota	N	Y	N	Y
Rhode Island	Y	Y	Y	
South Dakota	N		N	
Tennessee	Y	Y	Y	Y
Utah	Y			Y
Washington				Y
West Virginia	Y			Y
Wyoming	N	Y	N	N

Notes: Responses to the question: Does your state outsource this activity? Y = yes; N = no.

TABLE C18
STATES OUTSOURCING RIGHT-OF-WAY ACTIVITIES

State	Appraisals	Acquisitions	Relocation
Arizona	Y	Y	N
Arkansas	Y	N	N
Colorado	Y	Y	Y
Connecticut	Y	N	N
Florida	Y	Y	Y
Illinois	Y	Y	Y
Indiana	Y	Y	N
Iowa	Y	Y	Y
Kansas	Y	Y	
Kentucky	Y	Y	Y
Maine	Y	Y	Y
Maryland	Y	Y	N
Massachusetts	Y	Y	Y
Michigan	Y	Y	Y
Minnesota	Y	Y	Y
Missouri	Y	Y	Y
Montana	Y	Y	Y
New Hampshire	Y	N	N
New Jersey	Y	N	Y
North Dakota	Y	Y	N
South Carolina	Y	Y	Y
Tennessee	Y	Y	Y
Texas	Y	Y	Y
Vermont	Y	N	N
Washington	Y	Y	N
West Virginia	Y	Y	Y
Wyoming	Y		

Notes: Responses to the question: Does your state outsource this activity? Y = yes; N = no.

APPENDIX D

Answers to Selected Questions from Part 1 of the Survey Questionnaire

SECTION ONE

Question 2. What other considerations either force or encourage a decision to contract out?

Iowa—In-house expertise and in-house staff work load.

Illinois—As a matter of practice the Illinois DOT contracts out all major highway construction and reconstruction. Only a limited amount of small or emergency projects are handled in-house. Likewise, the majority of the architectural engineering services for Phase One and Two are contracted out. A small amount of bridge and structure design work or in-house projects is handled by department staff. The review of consultant plans and most Phase Three (Project Supervision) is provided by in-house staff. Other operating-related contracts are contracted out as necessary. Considerations include lack of available resources, need for outside expertise, need for outside equipment and supplies to meet certain time frames, or economical advantages through the use of other state agencies, universities, and joint ventures or the employment of disadvantaged individuals or firms.

Connecticut—Magnitude and complexity of a project, staffing constraints, and specialized expertise and/or equipment requirements.

Tennessee—Lack of in-house staff, lack of in-house expertise, cost, and time frames required for accomplishment.

Maine—Resources: Unfunded mandates in the environmental area, the need to do more with less, increased complexity in the planning and public participation functions, combined with fixed internal resources, have impelled us to seek specialized expertise from consultants.

Massachusetts—Lack of available staffing, special expertise, large workload, to save money, lack of equipment, and need problems resolved quickly.

South Carolina—Utilization of existing forces and equipment, as well as in-house expertise for an activity. For some areas, such as legal services and communications, the volume and in-house expertise force outsourcing to meet demands.

Missouri—Criteria used by MoDOT included: (a) perception—in the minds of the general public, is this activity something MoDOT should be leading; (b) availability—how available would outside assistance be; (c) implementation—could the change be made easily; and (d) mission drive—how does this align with the Long-Range Transportation Direction and Strategic Plan.

Arizona—Work load, budget line items (financial), talent base/level—expertise, and time frame—commitments for need of project.

Utah—Work load and the need for expertise are the main factors.

Kansas—Lack of available manpower and special expertise.

Florida—We have also found that contract work can be just as, if not more, efficient in some areas (maintenance, as an example).

Hawaii—Lack of expertise, limited staffing, and time constraints.

Montana—Department staffing levels are inadequate to complete projects in a timely manner.

Arkansas—Staff work load, accelerated time schedule for project, and projects requiring specialized work.

Oregon—Internal capacity—Too much work, requires an alternative delivery method. Need to innovate—Expectations from legislature to deliver larger program (revenue increase and bonding) with no new staff.

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Question 3. What cost comparison analyses are used in the decision process and what items are typically included? (please provide sample forms if used.)

Iowa—It is felt that work could be done more efficiently in-house and at a lower cost than by a consultant. So the primary reason to use a consultant is that we do not have enough staff to do the work and meet the schedule.

Illinois—Type of project: (a) reason desired services are not provided by existing resources, (b) financial analysis, (c) comparison of other projects similar in scope, and (d) tangible or intangible benefits, including cost.

Connecticut—Ability to do the work drives this decision.

Tennessee—General comparisons with in-house costs.

Maine—In some cases, it's not a matter of cost, but how can we get the job done as required, for a reasonable cost; that is, either augment our short-term capability, or postpone the work, at extra cost due to road deterioration, inflation, etc. Costs are tracked in terms of in-house and outsourced preliminary engineering/planning versus construction cost comparisons.

Massachusetts—None.

South Carolina—Engineering Direction memorandum MO4 for maintenance items.

Missouri—To determine the feasibility of outsourcing activities based on cost analyses, we review the list of various activities performed by the department, the department budget cost associated with the activity,

estimate total cost to provide the activity at MoDOT including personnel services and expense and equipment amounts, and estimate cost to outsource and the variance between outsourcing and doing the work internally.

Arizona—Usually based on need and there is no cost review.

Utah—An independent estimate is prepared, overall project cost, manpower limitations, consultant pools ensure qualifications, and unit prices are compared.

Florida—This depends on and varies with the type of work being contracted. Some items included are in-house: salaries and benefits; contract: salaries, overhead, and project management.

Hawaii—Normally cost analysis will be conducted, which includes the cost to hire more staff versus possible cost to contract out.

Montana—None in particular; staff and time are the main driving forces.

Arkansas—Not applicable.

Oregon—We are in a situation where there is more work than can be delivered by staff, so cost comparison is not a determining factor in the in-house versus outsource decision.

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Question 4. Are other standard procedures used to determine whether to contract out an activity? Please describe and/or provide sample forms.

Iowa—No.

Connecticut—The decision to contract out engineering work is primarily made based on the following issues: (1) available staffing, (2) construction cost threshold—over \$5 million favors contracting out, (3) complexity of work/time line, and (4) specialized expertise.

Tennessee—None.

Maine—We don't have rigid procedures that factor out initiative and judgment. Project managers are given budgets and targets and use their judgment to weigh the various decision factors on a project-by-project basis.

Massachusetts—No.

South Carolina—For engineering services, a justification process must be followed.

Missouri—In addition to the analyses described in number 3 above, we also determine the following for activities that are being considered for outsourcing: (a) the number of FTE (full-time equivalent) positions performing all the activities within the area being considered for outsourcing and (b) the impact of eliminating the positions/FTE within the area being considered for outsourcing; that is, can they be used elsewhere in the agency.

Arizona—Review of work load versus program.

Utah—PPMS (EPM) processes 500 and 620 maximize UDOT resources and identify where consultants should be used to supplement staff.

Kansas—No agencywide set standards to make this determination.

Florida—No.

Hawaii—No.

Montana—Available staff and the construction schedule.

Arkansas—No.

Oregon—We are developing decision-making criteria to determine in-house or outsource project delivery.

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Question 5. What factors or considerations, if any, work against a decision to contract out an activity?

Iowa—Funding.

Illinois—Lack of funds, available in-house resources including staff equipment and expertise, and number of similar projects that are currently being handled in-house.

Connecticut—Cost, time, ability, and union contracts.

Tennessee—Costs, legislative concerns over letting our people go (downsizing), and lack of staff and experience to administer outsourced contracts.

Maine—Maintaining the internal experience level on a variety of project types is a consideration for keeping certain projects in-house.

Massachusetts—(1) The ability to do the work cheaper without own forces, (2) desire to maintain quality through some sense of "ownership," and (3) laws prohibiting any new privatization work that will take jobs way from current public (state) employees.

South Carolina—Generally the same as 2A above.

Missouri—(a) We do not want to have any layoffs of employees due to outsourcing and (b) we do not want to cut anyone's salary because of being relocated to another position within the agency.

Arizona—Morale; financial.

Utah—UDOT must maintain the knowledge and expertise in-house to be able to review deliverables submitted by consultants. It takes time to conduct RPs and put companies under contract.

Kansas—Cost and overhead, the commitment of manpower to administer the contract, time line: getting the project off the ground.

Florida—Any time or cost controlling constraints.

Hawaii—Generally cost will be higher; time constraints and contract management.

Montana—None in particular.

Arkansas—Staff work needs.

Oregon—Collective bargaining language that prohibits outsourcing or makes it an administrative nightmare to do so.

Question 6. Do current policies or legislation suggest that a greater amount of contracting out of highway services will occur in the future?

Iowa—Not specifically; however, reduction of in-house staffing has an effect.

Illinois—No. Currently the highway construction program is handled by road and bridge contractors, with the exception of small or emergency projects. A large amount of architectural engineering design work is contracted out. The exceptions are some in-house bridge design and other professional services handled on a case-by-case basis.

Connecticut—Yes. Politically and economically it appears that contracting out is the wave of the future.

Tennessee—Maybe.

Maine—The pressure to do more with less and limit the size of government while taking positive steps to maintain a healthy business climate and economy tend to push toward more contracting out rather than less.

Massachusetts—Legislation—no; policy—perhaps, but not necessarily.

South Carolina—Yes.

Missouri—We will continually review our work load to ensure the proper amount of internal work versus contracting for efficient operation of the department.

Arizona—Not that I am aware of.

Utah—The current policy appears to be working.

Kansas—Contracting out of highway services in the future depends on the agency's work load.

Florida—Current legislation allows for design/build contracting, which results in more opportunities to contract out design services.

Hawaii—Yes. Limited staffing; legislation on privatization.

Montana—No.

Arkansas—No.

Oregon—Yes. Direction for ODOT Director and legislative "intent" clearly expect a higher amount of outsourcing; primarily on the project delivery side, not throughout the agency.

SECTION TWO

A. Pre-Award Stage

Question 2. How are risk-sharing and/or liability questions resolved in the contracting process?

Iowa—Contracts: state DOT is not responsible for consultant errors and omissions and includes an indemnification clause.

Illinois—Standard terms and conditions including statutory requirements, contractor/vendor disclosure, pre-qualification, bonding, warranty, liability, and insurance are all included either as standard terms, conditions, or certifications to document risk sharing and liability.

Connecticut—Liquidated Damages and Save Harmless Clauses are in project specifications and signed agreements to protect against liability issues.

Tennessee—Not explicitly addressed.

Massachusetts—Contract provisions, bonding or insurance requirements.

Arizona—Through prenegotiation partnering workshops (design).

Utah—Risk is shared with innovative contracting, but most projects leave the risk with the Department. Risk analysis up front. It is determined who is best able to bear the risk on each issue.

Florida—This is an area we are currently working on with both contractors and consultants. Consultants will soon be responsible for total contract package. Contractors, through QC2000, are more accountable now as well as in the areas of warranties, which we have used on a limited basis.

Hawaii—(a) Normally there are warranty clauses in contracts, (b) contract implementation is normally based on the satisfactory performance of the contractor. Work orders are issued before the contractor continues to provide services for the next phase, and (c) payment can only be made when contractor completes the work to the satisfaction of the state.

Montana—The article to the contract itself addresses these types of issues.

Abbreviations used without definition in TRB Publications:

AASHO	American Association of State Highway Officials
AASHTO	American Association of State Highway and Transportation Officials
ASCE	American Society of Civil Engineers
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
FAA	Federal Aviation Administration
FHWA	Federal Highway Administration
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
IEE	Institute of Electrical and Electronics Engineers
ITE	Institute of Transportation Engineers
NCHRP	National Cooperative Highway Research Program
NCTRP	National Cooperative Transit Research and Development Program
NHTSA	National Highway Traffic Safety Administration
SAE	Society of Automotive Engineers
TCRP	Transit Cooperative Research Program
TRB	Transportation Research Board
U.S.DOT	United States Department of Transportation