

Contracting options give THEA greater speed, agility

Transferred risks, quick contracting, increased access to expertise and a competitive edge are among benefits

The Tampa Hillsborough Expressway Authority is an independent state agency that maintains and operates one toll facility, two feeder roads and a greenway within Hillsborough County, Florida. As a public agency, we are responsible for delivering affordable solutions that meet the needs of our community. We have found that, in most cases, design-build delivery allows us to achieve those goals for conventional projects.

As stakeholder and customer expectations increase, projects are becoming larger and more complex. Resources and budgets must go further. Agencies need contracting tools that help them conduct business efficiently and effectively in this new and often uncertain environment.

To address that need, we developed the following alternative contracting methods that have given us the ability, when appropriate, to transfer risks, streamline procurements, increase our access to expertise and gain a competitive advantage when applying for federal grants.

Design-build provides risk-transfer opportunities

When determining whether to let a project with an alternative delivery method, the owner must be aware of and willing to accept the risks involved. Before each procurement, we conduct a risk assessment to help us determine the delivery method best suited for the project's needs.

Sometimes, after reviewing the time and cost benefits, we discover alternative delivery isn't our best option. When the risk is not worth the benefit, we rely on the traditional and safer design-bid-build method as our go-to.

To deliver the \$230 million Selmon Expressway Extension Project, THEA's largest project in a decade, we are using design-build. Design-build delivery assumes the owner will pay a premium for the benefits of an accelerated schedule, risk transfer and innovation. These attributes often are inherent when designer and contractor team up to deliver a complex project.

On the Selmon Extension Project, accelerating construction, while producing a quality product, is critical. The project includes a significant interchange development and 1.5 miles of elevated structure, carrying one lane in each direction. Piers for the elevated section are being constructed in the median of an existing and busy four-lane arterial roadway, which serves business on both sides. We were sensitive to the needs of these stakeholders, as well as our customers, by accelerating construction of the piers, minimizing detours during construction and keeping business driveways open.

Design-build gave us a way to structure and fine tune the contract to reflect those goals in our request for proposals:

- We examined the cost.
- We established a minimum construction schedule.
- We weighted heavily the importance of maintaining traffic.



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Design-build delivery also allowed us to transfer to the design-build team the risk of budget overage. In my experience, major design-bid-build contracts run 10 percent over budget, on average. For us, the anticipated time savings on the Selmon Extension Project was worth paying the extra bid price. If the contracting team fails to meet the timeline because they have to correct a mistake, go over budget or exceed the agreed upon schedule, it is their risk to bear, and they will be penalized.

Not all of our design-build projects are as large and high-profile as the Selmon Extension. We delivered a 1-mile section of the greenway adjacent to the Selmon Expressway via design-build. We chose the alternative delivery method because the nature of the project demanded we access different expertise than we typically procure. The design-build process was a more efficient way to bring together a contractor and designer to develop the project.

Piggybacking streamlines procurement

Piggyback contracts allow us to leverage other public agency procurements. If a particular good or service we need has been procured by another public agency, we can accelerate our procurement process by entering into an agreement with their vendor, provided the vendor agrees to the same terms and conditions.

For example, THEA has piggybacked on Florida Department of Transportation contracts to clean out and video all drainage lines, procure utility coordination services and purchase intelligent transportation systems equipment.

Push-button contracts provide greater access to resources

There are times, after a project is underway, when we realize we need a particular skill or expertise the contractor does not possess. That's when we activate push-button contracts. Some of our pocket parks in the Selmon Greenway, including a trail and THEA's first dog park, were delivered under push-button contracts. Using this option for that project made sense because it allowed us to access the niche design services required.

The process is relatively simple. It works like this: THEA issues an RFP for three years of planning services in exchange for a specific fee, and we receive four proposals. We rank the vendors from one to four and award the contract to the No. 1-ranked vendor. We then may sign push-button contracts with the second-, and third-ranked vendors for the same terms, conditions and rates but with no guarantee of work. If, after implementing the planning project, we determine we need expertise the winning vendor cannot provide, THEA can issue a task order to vendor No. 2 or No. 3 under the push-button option.

We instantly access the resources necessary to advance the project, and the on-call vendors have an opportunity to get to know THEA and possibly demonstrate their capabilities.

THEA procurement policy for projects that are experimental or are for trial testing allows us to increase agency competitiveness

THEA's experimental projects policy gives us the ability to directly enter into contracts with vendors when the scope of a project is determined to be of an experimental or trial testing nature.

One of our goals is to be a leader in bringing emerging technologies to bear to solve real issues. For example, THEA operates and maintains the world's first all electronically tolled reversible express lanes. We were the first agency in Florida to use image-based tolling, and we have expanded our vision to include being a leader in connected-vehicle technology integration.

Experimental projects contracting enabled us to pursue our vision and, most recently, made possible the award of a \$17 million grant from the U.S. Department of Transportation to execute a Connected Vehicle Pilot Program.



THEA's management and technical approach for the pilot project was to use internal staff for overall program management, key communications and control of contractual issues, while drawing upon our extensive network of consultant subject-matter experts for the technical specialty areas.

We had 60 days to assemble an internal team, build our network of experts, including cutting-edge technology services, and submit our proposal. The experimental projects contracting policy allowed us to quickly assemble the team and components necessary for a competitive proposal. The result was THEA winning one of three awards from the 40 applications submitted to the U.S. DOT.

Experimental projects contracting enhanced the agency's competitiveness and advanced our goal to be a leader in the field of connected-vehicle technology for the region and the state.

Options hone business model

Like the private sector, public agencies want to reduce and control project time and costs. Delivery options that allow us to accomplish those goals and to be agile and responsive are important, especially for toll agencies. We identify with the private sector's methodology of delivering work, and alternative delivery methods help us align our business models accordingly to meet expectations, stretch resources and deliver large, complex infrastructure projects on budget and on schedule.

ABOUT THE AUTHOR

Joe Waggoner is the executive director of the Tampa Hillsborough Expressway Authority. Under his leadership, THEA's maintenance, operation and financial positions have significantly improved. Conversion of THEA's Lee Roy Selmon Expressway to all-electronic tolling in 2010 made it Florida's first expressway to be completely electronic. In 2014, THEA became a member of the Affiliated Test Beds under the U.S. DOT's Office of the Assistant Secretary for Research and Technology, offering its facilities for use in the advancement of automated- and connected-vehicle technologies. In 2015, THEA was selected by the U.S. DOT to develop a Connected Vehicle Pilot Project. Waggoner's education and more than 35 years of experience in the development of a variety of transportation modes give him a broad perspective on transportation issues. Contact him at (813) 276-2113 or joe@tampa-xway.com.

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