Report on the Taxpayers' Transportation Accountability Act

Prepared by the Minnesota Department of Transportation

St. Paul, Minnesota

September 1, 2009

This report is issued to comply with Minnesota Statutes 2008, section 161.3203, subdivision 4 (Laws 2008, Chapter 287, Article 1, Section 16).

The cost of preparing this report is $12,289.50

Contents

Summary

This report includes data on 49 contracts executed between August 1, 2008 and June 30, 2009 and meeting the definition of "Privatization Transportation Contracts" in the Taxpayers' Transportation Accountability Act (TTAA). Appendix A provides a detailed breakdown for each contract. Below is a summary of key elements of the data contained in Appendix A:

- The 49 contracts have a total value of $18,358,154.

- Three contracts under $100,000 are included in this report, even though they do not meet the definition of a Privatization Transportation Contract. These three (total value $268,653) are included because they were initially estimated to cost over $100,000 each, however, each contract ultimately cost less than $100,000.

- 31 of the contracts have a value greater than $100,000 but less than $250,000. The total value of these contracts is $5,481,144. Of these contracts:
  - 26 contracts (total value $4,572,972) involve work outsourced due to workload and schedule issues.
  - 3 contracts (total value $745,157) involve work outsourced due to the special expertise required to perform the work.
  - 1 contract (value $163,015) involves work outsourced because it requires the use of equipment not owned by Mn/DOT.
  - 1 contract (value $125,714) was a continuation of work on a railroad bridge.
  - In 17 cases, the analysis showed it was cheaper to outsource the work than to have the work performed by Mn/DOT employees.
  - In 14 cases, Mn/DOT elected to outsource the work, due to schedule, specialized expertise, and equipment constraints, even though the estimates showed it would have been cheaper to perform the work in-house.

- 15 of the contracts have a value of $250,000 or more. The total value of these contracts is $12,608,357. Of these contracts:
  - 10 contracts (total value of $8,310,119) involve work outsourced due to workload and schedule issues.
  - 4 contracts (total value $3,998,586) involve work outsourced due to the specialized expertise required to perform the work.
  - 1 contract (value $299,652) involves work outsourced because it requires the use of equipment not owned by Mn/DOT.
  - In all cases, the analysis showed it was cheaper to outsource the work than to have the work performed by Mn/DOT employees. In 13 cases a "new employee additive" was used in Mn/DOT's estimate of internal costs, and in 3 cases a "construction delay inflation factor" was used in Mn/DOT's estimate of internal costs.

Of these 49 contracts, only 2 have been completed and sent to audit.

- Contract 94137 was completed on 5/19/09 for $225,000.00 as a lump sum payment.
- Contract 92958 was completed on 4/3/09 with a final invoiced amount of $189,738.81. The final audit on this contract is not yet completed.

Actual costs will be reported in future fiscal years as the contracts are audited and closed. Future reports will contain additional columns indicating the actual amount paid and any audit adjustments.

Background

The 2008 Legislature enacted the "Taxpayers' Transportation Accountability Act" (TTAA) as part of an omnibus transportation policy bill (Laws 2008, Chapter 287, Article 1, Section 16). The TTAA became effective on August 1, 2008, and applies to certain contracts that the Minnesota Department of Transportation entered into after that date. The law does not contain a sunset date. The TTAA is codified at Minnesota Statutes §161.3203 (see Appendix F for text of the law).

The TTAA applies to privatization transportation contracts with costs exceeding $100,000. The law states that "privatization transportation contract means an enforceable agreement, or combination or series of agreements, by which a private contractor agrees with the commissioner of transportation to provide work (1) that is incidental to the construction or improvement of trunk highways, or (2) for maintenance of trunk highways." The definition specifically excludes several types of contracts, such as construction contracts awarded through the low-bid and design-build procurement processes, and certain types of professional/technical services contracts, including contracts where services will be performed by persons licensed by the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design (Board of Engineering).

The TTAA requires Mn/DOT to undertake a significant level of analysis prior to entering into a privatization transportation contract. For such contracts more than $100,000 Mn/DOT must prepare comprehensive written estimates of the cost of (1) having the covered work performed by department employees; and (2) having the work performed by an outside contractor (consultant) based on bid prices plus other required considerations. In addition, the TTAA requires Mn/DOT to make information publicly available at certain points in the procurement process.

For contracts more than $100,000 and up to $250,000, Mn/DOT must perform the cost comparison, but has discretion to contract for the services even if the analysis shows that outsourcing is the more expensive option. For contracts of $250,000 or more the law contains an additional provision, which prohibits Mn/DOT from contracting for the services unless Mn/DOT makes several determinations, including that the cost of outsourcing the work will be less than the cost of having Mn/DOT employees perform the work. Prior to executing a contract for $250,000 or more, the commissioner of transportation must determine that (1) the cost of having the work performed under the proposed contract is lower than the estimated cost of having agency employees perform the work; (2) the quality of the work to be performed by the proposed contractor is likely to equal or exceed the quality of services that could be provided by Mn/DOT employees; (3) the contract, together with other privatization transportation contracts to which the department is or has been a party, will not reduce full-time equivalent positions within the department or result in layoffs; and (4) the proposed contract is in the public interest.

A. Mn/DOT's Implementation of the Law

Mn/DOT began implementing the TTAA soon after it was enacted. Because of the complexities of the new law, and concerns that different Mn/DOT districts might apply the law differently, Mn/DOT determined that the Central Office in St. Paul would lead implementation of the law.

Mn/DOT contracting staff reviewed the definitions and exceptions to determine the work types to which the law would apply. Mn/DOT determined that the law applies primarily to professional and paraprofessional engineering work, such as preliminary and final design, bridge design, surveying and construction inspection. See Appendix C for a list of work types covered by the law.

Mn/DOT conducted an extensive education campaign to make management and staff aware of the new law and to ensure that all affected staff received information on the actions they would need to take to comply with it. Requirements were communicated through a variety of means, such as face-to-face meetings and videoconferences with affected managers and staff. Contract oversight personnel prepared detailed written procedures and distributed them to affected staff throughout the state.

To ensure uniformity in the preparation of internal estimates, Mn/DOT developed standardized estimating methodologies and tools (see Appendix E). Mn/DOT determined that completing the estimates would require the involvement of several professional staff members: 1) The project engineer would be responsible for estimating the work effort required by employee classification; 2) the Mn/DOT Office of Finance would be responsible for determining the labor rates and additives to be applied to the employee hours; and 3) senior managers (such as District Engineers and Office Directors) would be responsible for reviewing and approving estimates initiated by their district or office. A similar procedure was established for preparing the comprehensive estimates of contract costs, as the law requires Mn/DOT to consider the contractor's proposed cost plus several other factors, such as the cost of having Mn/DOT staff monitor the contract. Mn/DOT established procedures and timelines to ensure that both estimates are completed, reviewed and approved as required, and to ensure that the resulting data is tracked in a Mn/DOT database and made publicly available as required by the law.

For each contract of $250,000 or more, Mn/DOT also prepares a document (called the "Commissioner's Determination") that summarizes the estimates and contains the additional findings as required by law. Mn/DOT retains the Commissioner's Determination and the estimate documents in accordance with the records retention policy.

The TTAA also requires that Mn/DOT publicly designate contractors to whom it intends to award contracts covered by the law. Mn/DOT has established a web page (http://www.dot.state.mn.us/consult/files/notices/notices.html) where these notices are posted, and Mn/DOT regularly publishes notices in the *State Register* alerting readers to the existence of the web site.

As Mn/DOT began to implement the law, several groups expressed a desire to meet with Mn/DOT to gain a better understanding of how the law was being implemented and how the estimates (especially the internal estimates) were being developed. These groups included AFSCME, the Minnesota Government Engineers Council (MGEC), and the American Council of Engineering Companies (ACEC) Minnesota chapter.

Since the TTAA became effective, Mn/DOT has held several meetings with AFSCME, ACEC and MGEC. At these meetings, Mn/DOT has shared TTAA-related data, and has received specific input on that data as well as general input on staffing and outsourcing. Mn/DOT also has used these meetings as a forum to share information about how and why Mn/DOT decides to maintain certain staffing levels and core competencies while contracting out for peak demand and certain specialties.

Mn/DOT plans to continue meeting with interested organizations to provide information, discuss issues and improvements to the process and to further identify what it costs to do business.

B. Discussion Items in Implementation

1. Interpretation of the "persons licensed" exclusion

The TTAA definition of "privatization transportation contracts" states that it "...does not include services by *persons licensed* under sections 326.02 to 326.15" (Minn. Stat. §161.3203, subd.1, emphasis added). The sections referenced in the law provide for the licensing of architects, engineers, land surveyors, landscape architects, geoscientists and interior designers by the Board of Engineering.

While preparing to implement the TTAA, there was discussion on interpretation of the "persons licensed" exclusion. One perspective was that the statute should be interpreted to exclude only those services actually provided by licensed individuals (natural persons). In contrast, the other perspective was that the exclusion should be interpreted to apply to all work performed by a company under contract with Mn/DOT when the services are under the direction and control of a licensed individual, even if some of the services are performed by paraprofessional or administrative staff.

Mn/DOT determined that the scope of the exclusion was not clear from the plain language of the act, and sought clarification of the language. This search for clarity involved reviewing the legislative history, consulting with legislative authors and consulting with Attorney General's staff.

The exclusionary language was added by amendment in the Senate Transportation Committee at the request of the ACEC. ACEC is an organization whose members are companies that perform road and bridge design, survey, construction inspection and other activities related to highway and bridge projects. Mn/DOT regularly contracts with consulting engineering firms (who are usually members of ACEC) to provide highway and bridge design, surveying, construction inspection and other services.

The consulting firms represented by ACEC employ registered engineers and land surveyors to perform work for their clients, but some work is also performed by paraprofessional and administrative staff acting under the direction and control of a licensed professional. Similarly, when this work is performed by Mn/DOT, much of the work also is performed by paraprofessional staff working under the direction of a licensed professional.

Based on its research, Mn/DOT decided to take a strict approach to interpreting the language, applying the exception only in cases where all services would be provided by licensed individuals.

2. Data Practices Act Implications

Mn/DOT has attempted to implement the TTAA in the most transparent manner possible. This includes making government data created as a result of this law available to interested parties in a timely manner. In making decisions as to what data to release and when to release it, Mn/DOT is guided by the requirements of both the TTAA and the Minnesota Government Data Practices Act.

Mn/DOT maintains a spreadsheet with all TTAA-related public data, which it distributes to interested parties each Friday. Mn/DOT has made a strong commitment to share all relevant public data.

3. Cost is Not the Sole Reason for Outsourcing

In the statutory scheme of the TTAA, short-term cost becomes the paramount consideration in determining whether Mn/DOT may contract for certain services. While Mn/DOT always strives to be a wise steward of taxpayer money, the decision of whether to perform work in-house or by contract is influenced by many considerations, including:

- Mn/DOT believes that it is most cost-effective to maintain a staffing level consistent with a sustainable construction program volume, rather than staffing to meet peak demand. Peak demand

is often created by one-time and short-term infusions of funds (e.g. funds received under the American Recovery and Reinvestment Act). Mn/DOT staff can be supplemented to meet peak demand by the use of consultants or by hiring additional state employees. Mn/DOT believes it is not responsible nor ultimately cost-effective to hire and train staff for these one-time and short-term programs. This would mean that staff hired for these surges in demand would have to be laid off when peak demand passes. In some cases Mn/DOT may even be unable to hire staff quickly enough to meet program deadlines. The American Recovery and Reinvestment Act, for example, required 50 percent of the federal funds to be obligated within 120 days of the effective date of the law.

- Hiring staff in certain specialty areas is not justified when there is not enough work on a consistent basis to fully use those skills. The cost of having employees who are highly skilled specialists is inefficient when there is only sporadic work of that type. In addition, people in these specialty areas, like complex bridge design, are compensated well above state salary caps.
- It is sometimes desirable to use consultants to perform independent peer reviews on major project plans that Mn/DOT or another consultant develops. These peer reviews can help Mn/DOT identify design issues that may result in expensive construction change orders or higher life-cycle costs.
- Outsourcing some work creates a healthy technical exchange atmosphere where Mn/DOT can learn from others that have worked in other states. A good balance is essential.
- Outsourcing is sometimes required by project agreements with affected property owners. For example, Mn/DOT must work cooperatively with railroads on projects with railroad impacts. Some railroads, however, view it as a conflict of interest for Mn/DOT to design railroad bridges, so Mn/DOT works with the railroads to agree upon an acceptable designer.

As enacted for contracts of $250,000 or more, the TTAA requires that these in-house versus outsourcing decisions be made solely on the basis of short-term cost. This law has the potential to prevent the outsourcing of services even when a reason other than cost is the main reason justifying the outsourcing of that particular work.

4. Estimating for Sporadically Used Specialties

The TTAA requires Mn/DOT to prepare estimates for certain types of work, even work that Mn/DOT has no significant prior experience performing in-house. The design of complex bridges (such as cable-stayed bridges) is a good example of this. Preparing a cost estimate requires Mn/DOT to do several things: 1) Assume that Mn/DOT has the ability to attract and employ a specialist in this area; 2) Estimate the level of effort that would be required to perform work that hasn't previously been done in-house (making the basis of this estimate very unreliable); and 3) Assume that the specialist could be assigned to other tasks once the need for the specialty work has passed. Mn/DOT is unable to give a high degree of confidence to estimates prepared in a situation where several unrealistic assumptions must be made.

5. Addressing Existing Employee Staffing Issues

Mn/DOT strives to ensure that estimates required by the TTAA are based on supportable assumptions. Mn/DOT is realistically constrained by current staffing levels and the need to complete work on a set schedule. The fact that Mn/DOT does not have staff able and available to perform the work within the necessary time frame is a key reason for outsourcing. In fact, when initiating a professional/technical services contract, Mn/DOT must certify (pursuant to Minnesota Statutes §16C.08, subd. 2) that state employees are not reasonably able and available to perform the work.

When implementing the TTAA, Mn/DOT had to make a reasonable cost estimate despite the lack of available staff to work on the subject project. Mn/DOT has used two methods to account for this lack of existing staff, so that comprehensive estimates can be prepared as required by the law. Those two methods are a "new employee additive" and a "construction delay inflation factor."

a. ***New employee additive.*** When preparing a comprehensive estimate of in-house costs, Mn/DOT breaks down work tasks by classification of employees who would perform the tasks and determines how many hours will be needed at each classification to complete each task. The estimated hours are then analyzed against the current workload of existing employees to determine what percentage of the need can be met by existing employees.

   Most Mn/DOT engineering work is performed in district offices. In addition to analyzing the availability of its own staff, a district may also look for an opportunity to share resources with another district. There can be some premium cost to such arrangements, however, such as the cost of travel, lodging and meals required under union contracts.

   If 100 percent of the need cannot be met by existing employees, Mn/DOT estimates how many full time equivalents (FTEs) would need to be hired to perform the work in the required time.

   For each new FTE needed, Mn/DOT applies a "new employee additive." This additive factors in the cost to recruit and hire an employee and reflects the assumption that a new hire will require some additional training and will not be fully proficient immediately upon hire.

b. ***Construction Delay Inflation Factor.*** While Mn/DOT uses the new hire additive as one method to deal with the unavailability of existing staff due to workload, it is not the best approach in all cases. For example, in complex bridge design, a construction delay inflation factor is used as part of the comprehensive estimate. When employing this method, Mn/DOT assumes that the work would need to be performed by existing staff, as it would be unrealistic to assume that a new employee could be hired in time to complete the work by the project deadline. Mn/DOT also assumes that there will be significant delay in the design project until staff work assignments can be reconfigured to accommodate the project.

   Delaying or deferring the design project would, of course, delay the resulting construction project, possibly by a year or more. Construction of the project might not occur in the year originally scheduled in the State Transportation Improvement Plan. The delay in the construction project would result in higher prices for labor, fuel and construction materials for the project when it is ultimately constructed. The resulting costs of increased inflation due to the delay are added to the cost of having the work performed by Mn/DOT staff.

   Two primary considerations guide Mn/DOT in making the estimates required by the TTAA: (1) The law's mandate that all estimates be comprehensive; and (2) Mn/DOT's position that estimates must be based on reasonable assumptions. An estimate, by definition, is not exact – it is a statement of *approximate* cost based on past experience and anticipated costs. In order to provide an accurate and useful comparison with the cost of outsourced services, the comprehensive in-house estimate must accurately reflect existing staffing levels, workload and salary levels.

APPENDIX

TAXPAYERS' TRANSPORTATION ACCOUNTABILITY ACT

Revised on August 07, 2009

Legislative Report

FY 2009 Analysis

This report includes data for Transportation Contracts executed between August 1, 2008 through June 30, 2009.

Contract Number	Project Description	Contractor	Contract Executed Date	Contract Expiration Date	Contract Duration[1] (YY:MM:DD)	Original Contract Amount[2]	"B" Contractor's Comprehensive Estimate Detail: Responder's Bid[3]	"B" Contractor's Comprehensive Estimate Detail: Contract Monitoring Cost (Mn/DOT)	"B" Contractor's Comprehensive Estimate Detail: "B" Estimate	"A" Agency Comprehensive Estimate Detail: Agency Total Without Additives[4]	"A" Agency Comprehensive Estimate Detail: New Employee Additive[5]	"A" Agency Comprehensive Estimate Detail: Delay Inflation Factor[6]	"A" Agency Comprehensive Estimate Detail: "A" Estimate	Difference = "A" Estimate - "B" Estimate
CONTRACT AMOUNT GREATER THAN $250,000														
92530	St Croix Prelim Eng Criteria	PB Americas, Inc.	02/05/09	06/15/10	01:04:10	$2,079,252	$2,079,252	$ 19,105	$ 2,098,357	$1,359,584	$ 132,971	$8,928,000	$ 10,420,555	$ 8,322,197
93165	494/35W Interchange Pre-design	Short Elliot Hendrickson, Inc.	02/13/09	11/30/10	01:09:17	$ 663,230	$ 663,300	$ 5,459	$ 668,759	$ 891,305	$ 154,184	$ -	$ 1,045,489	$ 376,731
93195	Hastings Bridge Pre Eng Visual Quality	CH2M Hill, Inc.	11/24/08	12/31/09	01:01:07	$3,107,792	$3,128,128	$ 185,690	$ 3,313,818	$1,564,506	$ 100,513	$8,000,000	$ 9,665,019	$ 6,351,202
93773	TH 95 Mill Overlay	URS Corporation	03/12/09	12/20/10	01:09:08	$ 315,960	$ 315,960	$ 15,587	$ 331,547	$ 274,472	$ 93,301	$ -	$ 367,773	$ 36,226
93892	Metro Roadway Lighting Inspection	American Engineering Testing, Inc.	04/27/09	09/15/10	01:04:19	$1,186,106	$1,186,106	$ 18,218	$ 1,204,324	$2,113,161	$ -	$ -	$ 2,113,161	$ 908,837
94018	Pre and Detail Design US 14 M & O	Widseth Smith Nolting & Assoc., Inc.	04/23/09	03/10/11	01:10:15	$ 287,266	$ 287,266	$ 10,890	$ 298,156	$ 192,041	$ 112,868	$ -	$ 304,910	$ 6,754
94034	I94 Managed Lanes Env Doc	HNTB Corporation	06/12/09	08/31/10	01:02:19	$ 379,310	$ 379,614	$ 4,515	$ 384,129	$ 323,409	$ 76,691	$ -	$ 400,100	$ 15,971
94103	Metro Sign Inventory	SRF Consulting Group, Inc.	06/01/09	08/20/11	02:02:19	$2,218,016	$2,218,016	$ 21,056	$ 2,239,072	$6,713,888	$ 779,361	$ -	$ 7,493,249	$ 5,254,177
94108	Mill & Overlay Const. Plans-Rosemount, Inver grove Hts & Hampton Township	Jacobs Engineering Group, Inc.	03/12/09	08/15/09	00:05:03	$ 345,941	$ 345,942	$ 2,496	$ 348,438	$ 213,861	$ 173,063	$ -	$ 386,925	$ 38,487
94153	CA, Inspection, testing SP 4203-42	WSB & Associates, Inc.	03/25/09	12/15/09	00:08:20	$ 359,984	$ 359,984	$ 1,794	$ 361,778	$ 312,697	$ 61,799	$ -	$ 374,496	$ 12,718
94193	I35E Storm Water Tunnel Rehab	CNA Consulting Engineers, Inc.	05/18/09	05/31/10	01:00:13	$ 353,917	$ 418,233	$ 2,496	$ 420,729	$ 406,819	$ 89,679	$ -	$ 496,497	$ 75,769
94281	Pre and Final Design-Bridge 4175 - ped bridge	HDR Engineering, Inc.	06/05/09	09/30/10	01:03:25	$ 371,547	$ 371,547	$ 12,117	$ 383,664	$ 218,674	$ -	$ 400,000	$ 618,674	$ 235,009
94317	Detail Design Phase I - TH 60, SP 5305-56	Stonebrooke Engineering, Inc.	05/18/09	12/31/10	01:07:13	$ 371,927	$ 371,927	$ 34,997	$ 406,924	$ 411,306	$ 82,176	$ -	$ 493,481	$ 86,557
94318	Pre and Detail Design Mill and Overlay TH13	WSB & Associates, Inc.	06/17/09	05/31/11	01:11:14	$ 268,454	$ 268,454	$ 10,990	$ 279,444	$ 205,896	$ 112,868	$ -	$ 318,764	$ 39,320
94510	Storm Water System Inspection I94 Mpls -St Paul	Hydro-Klean, Inc.	05/12/09	10/30/09	00:05:18	$ 299,652	$ 299,652	$ 3,005	$ 302,657	$ 396,525	$ 58,431	$ -	$ 454,956	$ 152,299
CONTRACT AMOUNT GREATER THAN $100,000 AND UP TO $250,000														
92958	Mill Overlay in Rosemount	Jacobs Engineering Group, Inc.	09/23/08	06/01/09	00:08:09	$ 189,338	$ 189,338	$ 9,152	$ 198,490	$ 154,100	$ -	$ -	$ 154,100	$ (44,390)
93103w1	Hastings Bridge Design Build-Env Doc, Anti-Icing, Traffic Calming Recommendations.	HNTB Corporation	02/24/09	03/16/10	01:00:20	$ 245,157	$ 208,309	$ 24,759	$ 233,068	$ 313,333	$ 126,407	$ -	$ 439,740	$ 206,673
93251	Bridge Inspection Ground Penetrating Radar	Infrasense Corporation	01/21/09	08/20/09	00:06:30	$ 250,000	$ 250,000	$ 1,795	$ 251,795	$ 312,426	$ -	$ -	$ 312,426	$ 60,631
93376	Bridge Inspection Ground Penetrating Radar	Penetradar Corporation	01/15/09	08/20/09	00:07:05	$ 250,000	$ 250,000	$ 1,795	$ 251,795	$ 354,311	$ -	$ -	$ 354,311	$ 102,516
93582	Final Bridge Design 27R14	TKDA, Inc.	12/30/08	10/31/10	01:10:01	$ 125,714	$ 125,714	$ 9,654	$ 135,368	$ 106,097	$ -	$ -	$ 106,097	$ (29,272)
93796	Pre and Final Design Bridge 58819	WSB & Associates, Inc.	04/02/09	12/31/10	01:08:29	$ 134,016	$ 134,016	$ 8,548	$ 142,564	$ 85,011	$ -	$ -	$ 85,011	$ (57,554)
93976	Rating & load posting analysis of TH bridges	Short Elliot Hendrickson, Inc.	05/18/09	12/15/10	01:06:27	$ 104,390	$ 104,390	$ 3,612	$ 108,002	$ 85,647	$ -	$ -	$ 85,647	$ (22,356)
94024	PD and DD for Bridge 25022	TKDA, Inc.	02/13/09	01/31/10	00:11:18	$ 166,559	$ 166,559	$ 13,751	$ 180,310	$ 103,518	$ 47,150	$ -	$ 150,668	$ (29,642)
94044	Bridge 9487 Approach Design	TKDA, Inc.	02/11/09	02/04/11	01:11:24	$ 118,303	$ 118,303	$ 19,105	$ 137,408	$ 108,488	$ 69,165	$ -	$ 177,654	$ 40,245
94046	Chisholm Subsidence Detail Design	LHB, Inc.	02/13/09	07/31/09	00:05:18	$ 163,364	$ 163,364	$ 7,224	$ 170,588	$ 71,319	$ -	$ -	$ 71,319	$ (99,269)
94064	Final Design Bridge 48030 (also roadway)	Bonestroo, Inc.	03/09/09	09/30/10	01:06:21	$ 137,440	$ 137,440	$ 15,244	$ 152,684	$ 145,416	$ 67,333	$ -	$ 212,749	$ 60,065
94065	Pre and Final Design Bridge 30010 (also roadway)	Bloom Consultants, LLC	03/09/09	09/30/10	01:06:21	$ 156,291	$ 156,291	$ 15,244	$ 171,535	$ 143,464	$ 47,150	$ -	$ 190,614	$ 19,079
94066	Pre and Final Design Bridge 33002 (also roadway)	Parsons Transportation Group, Inc.	03/09/09	09/30/10	01:06:21	$ 207,365	$ 207,365	$ 15,244	$ 222,609	$ 148,997	$ 47,150	$ -	$ 196,147	$ (26,461)
94137	HARN Leveling	Coleman Engineering Company	03/13/09	07/31/09	00:04:18	$ 225,000	$ 225,000	$ 6,506	$ 231,506	$ 199,989	$ -	$ -	$ 199,989	$ (31,518)
94199	Elk Run Interchange EA Update	SRF Consulting Group, Inc.	03/02/09	03/10/11	02:00:08	$ 199,227	$ 199,227	$ 42,912	$ 242,140	$ 173,878	$ 90,600	$ -	$ 264,478	$ 22,338
94203	Land Surveys TH 60 Gaps	Bolton & Menk, Inc.	04/22/09	03/16/11	01:10:22	$ 237,341	$ 239,866	$ 25,051	$ 264,917	$ 287,894	$ 20,182	$ -	$ 308,076	$ 43,159
94252	Pre and Final Design Bridge 4342	HDR Engineering, Inc.	04/17/09	09/30/10	01:05:13	$ 135,940	$ 135,940	$ 10,564	$ 146,504	$ 95,057	$ -	$ -	$ 95,057	$ (51,448)
94284	SP 7380-227 Const. Inspection	WSB & Associates, Inc.	04/27/09	12/01/09	00:07:04	$ 124,667	$ 124,667	$ 2,463	$ 127,130	$ 117,389	$ 40,365	$ -	$ 157,754	$ 30,623
94331	Const Inpec for SP 3006-35, TH 95	SRF Consulting Group, Inc.	05/26/09	12/01/10	01:06:05	$ 191,822	$ 191,822	$ 12,049	$ 203,871	$ 184,326	$ 63,051	$ -	$ 247,378	$ 43,506
94333	Const Inpec for SP 3311-10, TH 107	HDR Engineering, Inc.	05/18/09	12/01/10	01:06:13	$ 163,883	$ 163,883	$ 12,632	$ 176,515	$ 188,558	$ 63,051	$ -	$ 251,609	$ 75,094
94335	Const Inpec for SP 4801-20, TH 23	Westwood Professional Svcs, Inc.	06/09/09	12/01/10	01:05:22	$ 218,491	$ 218,491	$ 11,252	$ 229,743	$ 179,190	$ 63,051	$ -	$ 242,242	$ 12,498
94402	TH 13 Signal Optimization of 43 Intersections	Albeck Gerken, Inc.	05/26/09	10/31/09	00:05:05	$ 130,512	$ 130,512	$ 3,900	$ 134,412	$ 171,813	$ 66,851	$ -	$ 238,663	$ 104,251
94418	HARN Leveling	Coleman Engineering Company	05/04/09	07/31/09	00:02:27	$ 200,000	$ 200,000	$ 5,693	$ 205,693	$ 172,717	$ -	$ -	$ 172,717	$ (32,976)

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FY 2009 Analysis

This report includes data for Transportation Contracts executed between August 1, 2008 through June 30, 2009.

Contract Number	Project Description	Contractor	Contract Executed Date	Contract Expiration Date	Contract Duration[1] (YY:MM:DD)	Original Contract Amount[2]	"B" Contractor's Comprehensive Estimate Detail: Responder's Bid[3]	"B" Contractor's Comprehensive Estimate Detail: Contract Monitoring Cost (Mn/DOT)	"B" Contractor's Comprehensive Estimate Detail: "B" Estimate	"A" Agency Comprehensive Estimate Detail: Agency Total Without Additives[4]	"A" Agency Comprehensive Estimate Detail: New Employee Additive[5]	"A" Agency Comprehensive Estimate Detail: Delay Inflation Factor[6]	"A" Agency Comprehensive Estimate Detail: "A" Estimate	Difference = "A" Estimate - "B" Estimate
94452	Rating & load posting analysis of TH bridges	LHB, Inc.	05/18/09	12/15/10	01:06:27	$ 228,059	$ 228,059	$ 3,612	$ 231,671	$ 154,925	$ -	$ -	$ 154,925	$ (76,745)
94453	Rating & load posting analysis of TH bridges	PBS & J, Inc.	05/26/09	12/15/10	01:06:19	$ 125,254	$ 125,254	$ 3,612	$ 128,866	$ 90,373	$ -	$ -	$ 90,373	$ (38,493)
94454	Rating & load posting analysis of TH bridges	HDR Engineering, Inc.	05/18/09	12/15/10	01:06:27	$ 170,560	$ 170,560	$ 3,612	$ 174,172	$ 129,104	$ -	$ -	$ 129,104	$ (45,068)
94455	Rating & load posting analysis of TH bridges	WSB & Associates, Inc.	05/20/09	12/15/10	01:06:25	$ 208,695	$ 208,695	$ 3,612	$ 212,307	$ 129,104	$ -	$ -	$ 129,104	$ (83,203)
94509	Storm Water System Inspection I94 NW	Visu-Sewer Clean & Seal, Inc.	05/27/09	10/30/09	00:05:03	$ 163,015	$ 163,015	$ 3,005	$ 166,020	$ 234,020	$ 58,431	$ -	$ 292,451	$ 126,432
94575	TH 53 Construction Inspection	Widseth Smith Nolting & Assoc., Inc.	05/28/09	01/31/10	00:08:03	$ 209,445	$ 196,984	$ 3,120	$ 200,104	$ 204,002	$ 40,365	$ -	$ 244,366	$ 44,262
94605	Onion River Construction Support	LHB, Inc.	05/26/09	01/31/10	00:08:05	$ 123,994	$ 123,994	$ 3,120	$ 127,114	$ 130,292	$ 20,182	$ -	$ 150,474	$ 23,360
94630	SP 8285-93 and 8286-70 Construction Inspect and CA	WSB & Associates, Inc.	05/22/09	01/15/10	00:07:24	$ 177,299	$ 177,299	$ 4,276	$ 181,575	$ 166,881	$ 40,365	$ -	$ 207,246	$ 25,671
CONTRACT AMOUNT LESS THAN $100,000														
92146	I94 Sewer Video Inspection	Visu Sewer Clean and Seal, Inc.	10/30/08	06/30/09	00:08:00	$ 80,068	$ 82,612	$ 1,194	$ 83,806	$ 183,951	$ -	$ -	$ 183,951	$ 100,146
93128	Final Plans Bridges 69861 & 69862	LHB, Inc.	10/23/08	09/30/09	00:11:07	$ 91,218	$ 91,218	$ 4,873	$ 96,091	$ 111,143	$ 142,717	$ -	$ 253,860	$ 157,769
93599	Traffic Signal Mast Arm Design	TKDA, Inc.	02/20/09	06/30/09	00:04:10	$ 97,368	$ 97,368	$ 3,842	$ 101,210	$ 86,883	$ -	$ -	$ 86,883	$ (14,327)

[1] Contract Duration: The period between the contract execution date and the contract expiration date.

[2] Original Contract Amount:

[3] Responder's Bid: Cost estimate from the contractor.

[4] Agency Total Without Additives: Total agency estimated cost before additives; equals the total of direct labor cost, overhead cost, material and other cost.

[5] New Employee Additive: Refer to "New Employee Additive," page 8 and Appendix D.

[6] Delay Inflation Factor: Refer to "Construction Delay Inflation Factor," page 8 and Appendix D.
[4% Average Annual Inflation Rate] x [Cost of Construction] x [Duration Delay]

Contract Descriptions

(in order listed in Appendix A)

92530 St. Croix Preliminary Engineering and Visual Quality Criteria (Bridge Office)
Minnesota TH 36, St. Croix River, Wisconsin TH 64 corridor
Conceptual design
Outsourcing Rationale: Requires specialized expertise

93165 494/35W Interchange (Metro District)
Preliminary engineering for I-494/I-35W interchange
Outsourcing Rationale: Work/schedule issue

93195 Hastings Bridge (Bridge Office)
TH 61 from 6th Street to the Canadian Pacific RR in Hastings
Preliminary engineering, visual quality criteria, project development.
Outsourcing Rationale: Work/schedule issue

93773 TH 95 Mill and Overlay (Metro District)
Detailed design on TH 95 in Stillwater
Outsourcing Rationale: Work/schedule issue

93892 Metro Roadway Lighting Inspection (Metro District)
Structural inspection of light poles in the Metro district
Outsourcing Rationale: Requires specialized expertise

94018 US 10 Mill and Overlay (District 6 – Rochester)
US 14 from us 52 to Marion Road (CSAH 36)
Preliminary and detailed design
Outsourcing Rationale: Work/schedule issue

94034 I-94 Managed Lanes Environmental Documentation (Metro District)
From Portland Avenue in Minneapolis to Marion Street in St. Paul
Environmental assessment, feasibility study
Outsourcing Rationale: Requires specialized expertise

94103 Metro Sign Inventory (Metro District)
Data collection, data processing, and data entry of all permanent signs
Outsourcing Rationale: Work/schedule issue

94108 TH 52 Mill and Overlay (Metro District)
Four bridges, from South junction TH 55 in Rosemont to North Junction TH 52 in Inver Grove Heights.
Detail design for overlay and repair
Outsourcing Rationale: Work/schedule issue

94153 Construction Contract Administration, Inspection, and Testing SP 4203-42
(District 8 – Willmar)
TH 23 from CSAH 33 near Marshall to CSAH 24 near Cottonwood.
Outsourcing Rationale: Work/schedule issue

94193 I-35E Storm Water Tunnel Rehabilitation (Metro District)
In downtown St. Paul
Inspection and detail design
Outsourcing Rationale: Requires specialized expertise

94281 Preliminary and Final Design for Bridge 4175 – Pedestrian Bridge
(Bridge Office)
Country Road 101 over the Minnesota River
Shakopee historical truss bridge conversion to pedestrian, bike trail
Outsourcing Rationale: Work/schedule issue

94317 Detail Design Phase 1 – TH 60, SP 5305-56 (District 7 – Mankato)
TH 60 from Bigelow to Worthington
Outsourcing Rationale: Work/schedule issue

94318 Preliminary and Detail Design of Mill and Overlay on TH 13
(District 6 – Rochester)
TH 19 from TH 13 to Lonsdale; I-35 to Northfield; and 14 miles in Rice County
Includes surveys, utility coordination
Outsourcing Rationale: Work/schedule issue

94510 Storm Water System Inspection on I-94 Mpls – St. Paul (Metro District)
I-94 from I-35E to I-35W
Inspect, video tape, and clean storm water system
Global Position System (GPS) location, data entry
Outsourcing Rationale: Requires special equipment

92958 Mill & overlay in Rosemont (Metro District)
TH 55 from Pine Bend Trail to Jacob Avenue
Detail design, special provisions, construction estimate and utility coordination
Outsourcing Rationale: Work/schedule issue

93103W1 Hastings Bridge Design Build, Environmental Documentation, Anti-Icing System, and Traffic Calming Recommendation. (Metro District)
Develop the Request for Proposals (RFP) for the design-build
Assist with the Environmental Assessment
Outsourcing Rationale: Requires specialized expertise

93251 Ground Penetrating Radar (Metro District)
Statewide bridge condition inspection
Outsourcing Rationale: Requires special expertise

93376 Ground Penetrating Radar (Metro District)
Statewide bridge condition inspection
Outsourcing Rationale: Requires special expertise

93582 Final Design and Construction Plans for Bridge 27R14 (Bridge Office)
Burlington Northern Santa Fe Railroad over TH 12 in the City of Independence
Outsourcing Rationale: Continuation of previous contract

93796 Preliminary and Final Design and Construction Plans for bridge 58819 (Bridge Office)
TH 23 over I-35 near Hinkley
Outsourcing Rationale: Work/schedule issue

93976 Rating and Load Posting for TH bridges (Bridge Office)
Analysis and recommendations
Outsourcing Rationale: Work/schedule issue

94024 Preliminary Design and Final Design and Construction Plans for Bridge 25022 (Bridge Office)
TH 19 over TH 52 in Cannon Falls.
Outsourcing Rationale: Work/schedule issue

94044 Bridge 9487 (District 6 – Rochester)
TH 19 over TH 52 in Cannon Falls
Preliminary engineering and detail design of approach roadways
Outsourcing Rationale: Work/schedule issue

94046 Chisholm Subsidence (District 1 – Duluth)
TH 169 in Chisholm
Detailed design of concrete pavement over collapsing mine shafts
Outsourcing Rationale: Work/schedule issue

94064 Bridge 48030 (Bridge Office)
TH 23 over the Rum River in Milaca
Preliminary and detailed design
Outsourcing Rationale: Work/schedule issue

94065 Bridge 30010 (Bridge Office)
TH 95 over the Rum River in Cambridge
Preliminary and detail design
Outsourcing Rationale: Work/schedule issue

94066 Bridge 33002 (Bridge Office)
TH 107 over the Snake River in Grasston
Preliminary and detail design
Outsourcing Rationale: Work/schedule issue

94137 HARN (High Accuracy Reference Network) Leveling
(Office of Land Management)
South St. Louis County
High accuracy, geodetic surveying
Outsourcing Rationale: Work/schedule issue

94199 Elk Run Interchange (District 6 – Rochester)
US 52 and CSAH 5/12 near Oronoco.
Update the environmental assessment (EA) documents
Outsourcing Rationale: Work/schedule issue

94203 Land Surveys of TH 60 Gaps (District 7 – Mankato)
TH 60 from St. James to Windom
Land Surveying
Outsourcing Rationale: Work/schedule issue

94252 Bridge 4342 (Bridge Office)
TH 63 over the Zumbro River tributary in Zumbro Falls
Preliminary and detail design
Outsourcing Rationale: Work/schedule issue

94284 SP 7380-227 Construction Inspection (District 3 - Brainerd/Baxter)
I-94 from CSAH 75 to TH 23 and Stearns/Wright County line to TH 25
Outsourcing Rationale: Work/schedule issue

94331 Construction Inspection for SP 3006-35, TH 95 (District 3 – Brainerd/Baxter)
TH 95 over the Rum River, West of Cambridge
Includes material testing
Outsourcing Rationale: Work/schedule issue

94333 Construction Inspection for SP 3311-10, TH 107 (District 3 – Brainerd/Baxter)
TH 107 over the Snake River in Grasston
Includes material testing
Outsourcing Rationale: Work/schedule issue

94335 Construction Inspection for SP 4801-2-, TH 23 (District 3 – Brainerd/Baxter)
TH 23 over the Rum River, West of Milaca
Includes material testing
Outsourcing Rationale: Work/schedule issue

94402 TH 13 Signal Optimization of 43 Intersections (Metro District)
Prior Lake, Savage, Burnsville and Egan
Signal coordination timing plan
Outsourcing Rationale: Work/schedule issue

94418 HARN (High Accuracy Reference Network) Leveling
(Office of Land Management)
Willmar, Detroit Lake , Brainerd and Metro Districts
High accuracy, geodetic surveying
Outsourcing Rationale: Work/schedule issue

94452 Rating and Load Posting for TH Bridges (Bridge Office)
Statewide bridge rating analysis
Outsourcing Rationale: Work/schedule issue

94453 Rating and Load Posting for TH Bridges (Bridge Office)
Statewide bridge rating analysis
Outsourcing Rationale: Work/schedule issue

94454 Rating and Load Posting for TH Bridges (Bridge Office)
Statewide bridge rating analysis
Outsourcing Rationale: Work/schedule issue

94455 Rating and Load Posting for TH Bridges (Bridge Office)
Statewide bridge rating analysis
Outsourcing Rationale: Work/schedule issue

94509 Storm Water System on I-94 NW (Metro District)
I-94 from I-94/I- 494 to Hennepin County line at CSAH 36
Inspect, video tape, and clean storm water system
Global Position System (GPS) location, data entry
Outsourcing Rationale: Requires special equipment

94575 TH 53 Construction Inspection (District 1 – Duluth)
Two construction inspectors for approximately six months
Outsourcing Rationale: Work/schedule issue

94605 Onion River Construction Support (District 1 – Duluth)
TH 61 - One construction inspector for about five months
Outsourcing Rationale: Work/schedule issue

94630 SP 8285-93 and 8286-70 Construction Inspection and Contract Administration
(Metro District) - I-494 and I-694 in Maplewood, Woodbury and Oakdale
Includes material sampling
Outsourcing Rationale: Work/schedule issue

92146 I-94 Sewer Video and Inspection (Metro District)
I-94 from the Mississippi River to the I-94/I-694 split
Inspect, video tape, and clean storm water system
Global Position System (GPS) location, data entry
Outsourcing Rationale: Requires special equipment

93128 Bridges 69861 and 69862 (Bridge Office)
Design of a replacement bridge on I-35 over US 2 in Duluth
Outsourcing Rationale: Work/schedule issue

93599 Traffic Signal Mast Arm Design (Traffic Office)
Design of a cantilever traffic signal mast arm, poles and foundations
Outsourcing Rationale: Requires special expertise

Work Types

This is a list of the work types subject to the law

Preliminary Design

Environmental Documentation

- Study and evaluation of the social, economic and environmental effects on the human and natural environment
- Public involvement and interagency coordination
- Potential mitigations

Geometric Layouts

- Base map, alignment, traffic staging
- Intersections, culverts, noise and retaining walls
- Culverts, sewers, erosion control

Detail/Final Design (of highway)

- Detailed construction plans for bid letting
- Special provisions (in addition to standard specifications)
- Estimated construction quantities and costs

Roundabout Designs

Bridge Design

- Preliminary and detailed/final design for bridge construction

Bridge Study

- Preliminary engineering of bridge needs, types, aesthetics, etc.

Bridge Inspection

Structural Metals Inspection

- Fabrication inspection of major and minor bridge components

High Mast Light Towers

- Inspection and documentation of all corrosion and weld cracking

Material Testing

Roadway Material Testing

- Sampling and testing construction materials for specification conformance

Land Surveys

Geodetic Control Surveying

- High accuracy survey to establish precise coordinates of survey bench marks

Design/Location Surveys

- Field location data for the project design process

Right of way Surveys

- Alignment, property corners, right of way monuments to establish a right of way base map

Land Surveys

- Research and analysis of information regarding section corner monuments of the Public Land Survey System; collection and compilation of field location data; reports; graphical and data files

Construction Inspection/Contract Administration

Construction inspection is to ensure work performed on state construction projects is in compliance with the contract documents, special provisions, standard specifications, policies, procedures, and regulations. Inspection is categorized as: grading and base, bituminous and concrete; bridge construction; construction surveying, computation, staking and marking to establish lines, slopes, elevations, points, and profile grades to assist construction of the road design plan; material sampling and testing of all material used on the project, submittal to lab for testing; plant inspection, both bituminous and concrete plants.

Construction Support

- Critical path (schedule) management, field design revisions, etc.

Hydraulic Structure Inspection

Clean, video tape, and inspect storm sewer system, locate structures, use Global Positioning System (GPS), create map and report.

Traffic Engineering

- Traffic Signal Design
- Traffic Signal Operations
- Roadway Lighting Design
- Temporary Traffic Control Plan Design
- Signing Plan Design

Taxpayers' Transportation Accountability Act
Calculation of Mn/DOT Labor and Overhead Cost
FY09

Labor Cost Group	Calculation or Percentage Used	Types of Costs Included
Salaries	Estimated hours by employee job class and work activity per project manager, multiplied by salary rate	• Average salary rate per hour for all Mn/DOT employees at each employee job class
Payroll Taxes & Benefits	Average of all Mn/DOT employees at each job class – ranges from 20% - 40% of salaries	• **FICA** - Employer portion of social security taxes. • **INSURANCE** – Employer portion of group health insurance. • **RETIREMENT** – Employer portion of retirement benefit costs.
Indirect Labor Additive	26% - Audited labor additive rate	• **WORKERS COMP LEAVE TIME** - Absences due to work-related injury or illness. • **VACATION** – Absences due to vacation time taken, donated or transferred to deferred compensation. • **HOLIDAY** – Absences due to designated holidays and use of floating holiday. • **SICK LEAVE** – Absences due to employee sickness, dependent illness or medical/dental appointments. • **PREMIUM TIME** – Cost of overtime premium (the half-time portion of time-and-a-half). • **MISCELLANEOUS BENEFITS AND LEAVES** – Cost of retroactive salary adjustments, achievement awards, grievance awards, first day of injury, death benefit, absences due to voting, jury duty, military leave, snow days, etc. • **WORKERS COMPENSATION** – Cost of workers compensation, e.g. medical invoices. • **GROUP INSURANCE** – State's cost of group insurance. • **UNEMPLOYMENT** – State's cost of unemployment compensation premiums.
Indirect Overhead Additive	25.1% - Overhead additive rate calculated to include expenses from Mn/DOT overhead organizations such as: • Commissioners' Office • Financial Management Office	• **FULLTIME AND PART TIME** – Salaries, FICA, group insurance and retirement expense for full-time and part-time employees • **OVERTIME PAY** – Overtime salary and FICA • **PREMIUM PAY** – Premium salary (the half-time portion of time-and-a half) and FICA • **OTHER BENEFITS** – Separation expense, relocation expense, unemployment comp, workers comp, etc. for "overhead" employees.

	• Employee and Corporate Services Division • Policy, Safety and Strategic Initiatives Division • Modal Planning and Program Mgmt. Division	• **SPACE RENTAL, MAINTENANCE AND UTILITY** – Facilities space rental, misc. rental, utility services and building maintenance services (janitorial, mowing, security, etc.) • **REPAIRS, ALTERATIONS AND MAINTENANCE** – Repairs and alterations to equipment, furniture and buildings, and maintenance contracts. • **PRINTING AND ADVERTISING** • **PROF/TECH SERVICES OUTSIDE VENDORS** – Primarily in Information Resources and Facilities • **COMPUTER AND SYSTEMS SERVICES** – Mainframe processing, software license fees, software purchases and maintenance and system access fees. • **COMMUNICATIONS** • **TRAVEL & SUBSISTENCE** • **EMPLOYEE DEVELOPMENT** • **SUPPLIES** – Primarily office supplies. • **EQUIPMENT** – Primarily Information Resources and Facilities equipment. • **BUILDINGS AND LAND IMPROVEMENTS** • **OTHER OPERATING COSTS** • **ATTORNEY GENERAL AND OTHER STATEWIDE INDIRECT COSTS** • **STATE AGENCY REIMBURSEMENTS**
Specific Overhead Additive	21.4% - Audited billing overhead additive rate. Primarily Operations Division supervisory, administrative and miscellaneous costs.	• **FULL-TIME AND PART-TIME SALARIES AND BENEFITS** • **OVERTIME AND PREMIUM PAY** • **OTHER BENEFITS** • **SPACE RENTAL, MAINTENANCE AND UTILITY** • **REPAIRS, ALTERATIONS AND MAINTENANCE** • **PRINTING AND ADVERTISING** • **PROF/TECH SERVICES OUTSIDE VENDORS** • **COMPUTER AND SYSTEMS SERVICES** • **COMMUNICATIONS** • **TRAVEL AND SUBSISTENCE** • **SUPPLIES** • **EQUIPMENT** • **EMPLOYEE DEVELOPMENT** • **OTHER OPERATING COSTS** • **STATE AGENCY REIMBURSEMENTS** • **AGENCY PROVIDED PROF/TECH SERVICES** • **AGENCY DIRECT COST WORKERS**
Total Labor Calculation	Total overhead % of direct salaries: 122% – 158%	• (1+ Indirect Labor Additive) X (Salary+ Payroll Taxes and Benefits) = Subtotal • 1+ Sum of Two Overhead Additives) X Subtotal = Total Labor & Overhead Cost

Taxpayers' Transportation Accountability Act
Calculation of Mn/DOT Additives
FY09

Additive Type	Calculation or Percentage Used	Types of Costs Included
New Employee Additive	• Estimated cost to hire one average Mn/DOT employee - $7,500 • Estimated non-productive hours in first six months of bringing on a new employee: 400 hrs for most employee classes, 120 hrs for highly-skilled new employees • Multiplied by avg. salary rate per hour. • Total New Employee Additive per Employee: $16,000-$22,000.	• New Employee Costs: 1. Recruiting costs-HR, hiring department's time, advertising, etc 2. Non-department training, new equipment, employee set-up costs • Standard non-productive fraction of month: Mo 1: 75% Mo 2-3: 50% Mo 4-6: 25% Total = 2.50 months or 400 hrs non-productivity
Construction Delay Inflation Factor	• Factor equals: Estimated construction cost X Length of Delay X Inflation Rate	• Most recent estimated cost of project construction, per project manager • Inflation factor per Office of Investment Mgmt & Performance Measures. Use same rate each time.

Estimate Format

This is an example of the spread sheet being used to develop the detailed cost estimates. The estimate is a matrix, listing the tasks or activities to be performed, and the number of estimated hours by each employee classification to complete each task or activity. Other anticipated expenses are added. This estimate is sent to the budget office, where any applicable additives, as shown in Appendix D, are applied. The final cost estimate is reviewed and signed by the District Engineer or Office Director.

These estimates are then compiled onto the summary spread sheet in Appendix A.

IN-HOUSE COST ESTIMATE (FOR "A" ESTIMATE) Contract 94153 CA, Inspection, Testing SP 4203-42

DIRECT PERSONNEL

	Job Classification					
Task/Work Activity	Transp Specialist	Transp Generalist Senior	Transp Generalist Senior	Transp Generalist	Engineer Senior	**Costs by Task**
Final Construction Documentation	170	170	170	-	-	**39,660**
Construction Inspection	918	510	510	-	-	**152,564**
Sampling and Testing	102	510	510	510	-	**112,752**
Construction contract administration	-	-	-	-	300	**24,552**
Total # of Hours by Job Class	1,190	1,190	1,190	510	300	
Total Hours	4,380					
# of New Hires Estimated By Job Class	1	1	1			
Costs by Job Class	**97,958**	**89,830**	**89,830**	**27,359**	**24,552**	
Total Employee Costs	**329,528**					
Costs by Job Class w/o new emp costs	**76,523**	**69,647**	**69,647**	**27,359**	**24,552**	

OTHER

Travel	Cost	Total
		14,040
Two people, 84 days, $30 / day	5,040	
Two people, 5 nights, 15 weeks, $60 / night	9,000	
Direct Supplies (Excludes overhead supplies)		
	-	

DIRECT EQUIPMENT EXPENSE (Instruments, trucks, etc.)

Note: Select equipment from scroll bar and input the estimated quantity within the yellow cell. If unlisted, select "Other" and fill out the form.

Equipment Usage	Class Number	Rate	Unit	Quantity	Cost	Total
						30,929
CAR MEDIUM SIZE	080	0.56	MILE	2,100	1,176	
PICKUP 1/2 TON EXTENDED CAB	183	0.86	MILE	12,180	10,475	
PICKUP 1/2 TON	180	1.02	MILE	10,500	10,710	
PICKUP 1/2 TON	180	1.02	MILE	6,300	6,426	
PICKUP 1/2 TON	180	1.02	MILE	2,100	2,142	

DIRECT MATERIALS EXPENSE

Inventory Materials	Cost
	-
Direct Purchase Materials	
	-

Total Other Costs	**44,969**
Inflation Delay Factor Added	**-**
Total Cost	**374,496**

161.3203 CONTRACTS FOR WORK FOR TRUNK HIGHWAY.

Subdivision 1. **Privatization transportation contracts.** For purposes of this section, "privatization transportation contract" means an enforceable agreement, or combination or series of agreements, by which a private contractor agrees with the commissioner of transportation to provide work (1) that is incidental to the construction or improvement of trunk highways, or (2) for maintenance of trunk highways. A privatization transportation contract does not include a design-build contract as defined in section 161.3410, subdivision 3, contracts awarded pursuant to section 161.32, work related to utility relocation, utility relocation agreements, state aid agreements, municipal agreements, interagency agreements, joint powers agreements, partnership agreements, and grant agreements. Privatization transportation contracts also do not include contracts related to aerial photos, asbestos investigation or abatement, communications, computer and information technology, construction contract administration, cultural resource investigations, electronic communications, environmental investigations, expert witnesses, contaminated soil investigations and remediation, geographic information systems, hydraulic and geotechnical studies, intelligent transportation systems, management support, mapping and photogrammetrics, market research, medical analysis, planning, public relations, right-of-way appraisals or acquisitions and field title investigations, research, relocation services, special studies, traffic studies and modeling, and employee training, and does not include services by persons licensed under sections 326.02 to 326.15.

Subd. 2. **Applicability.** This section applies to privatization transportation contracts in a total amount greater than $100,000. The requirements imposed by this section are in addition to, and do not supersede, the requirements of any other applicable section of law.

Subd. 3. **Review of contract costs.** (a) Before entering into a privatization transportation contract, the commissioner of transportation shall prepare a comprehensive written estimate of the cost of having the same work provided in the most cost-effective manner by agency employees. The cost estimate must include all costs of having agency employees provide the work, including the cost of pension, insurance, and other employee benefits. The cost estimate is nonpublic data, as defined in section 13.02, subdivision 9, until the day after the deadline for receipt of responses under paragraph (b), when it becomes public data.

(b) After soliciting and receiving responses, the commissioner shall publicly designate the responder to which it proposes to award the privatization contract. The commissioner shall prepare a comprehensive written estimate of the cost of the proposal based on the designated responder's bid, including the cost of a transition from public to private provision of the work, any additional unemployment and retirement benefits resulting from the transfer, and costs associated with monitoring the proposed contract. If the designated responder proposes to perform any or

all of the desired services outside the state, the commissioner of transportation shall include in the cost estimate, as nearly as possible, any loss of sales and income tax revenue to the state. The cost estimate must not include trade secret data which is classified as nonpublic data under section 13.37, subdivision 2.

(c) Before entering into a privatization transportation contract for $250,000 or more, the commissioner shall determine that:

(1) the cost estimated under paragraph (b) will be lower than the cost estimated under paragraph (a);

(2) the quality of the work to be provided by the designated responder is likely to equal or exceed the quality of services that could be provided by Department of Transportation employees;

(3) the contract, together with other privatization transportation contracts to which the department is or has been party, will not reduce full-time equivalent positions within the department or result in layoffs; and

(4) the proposed privatization contract is in the public interest.

Subd. 4. **Reports.** Beginning in 2009, the commissioner shall provide, no later than September 1, an annual written report to the legislature, in compliance with sections 3.195 and 3.197, and shall submit the report to the chairs of the senate and house of representatives committees having jurisdiction over transportation. The report must list all privatization transportation contracts within the meaning of this section that were executed or performed, whether wholly or in part, in the previous fiscal year. The report must identify, with respect to each contract: the contractor; contract amount; duration; work, provided or to be provided; the comprehensive estimate derived under subdivision 3, paragraph (a); the comprehensive estimate derived under subdivision 3, paragraph (b); the actual cost to the agency of the contractor's performance of the contract; and for contracts of at least $250,000, a statement containing the commissioner's determinations under subdivision 3, paragraph (c).

Subd. 5. **Short title.** This section may be cited as the "Taxpayers' Transportation Accountability Act."

History: *2008 c 287 art 1 s 16*

13.37 GENERAL NONPUBLIC DATA.

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them.

(a) "Security information" means government data the disclosure of which would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury. "Security information" includes crime prevention block maps and lists of volunteers who participate in community crime prevention programs and their home addresses and telephone numbers.

(b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(c) "Labor relations information" means management positions on economic and noneconomic items that have not been presented during the collective bargaining process or interest arbitration, including information specifically collected or created to prepare the management position.

(d) "Parking space leasing data" means the following government data on an applicant for, or lessee of, a parking space: residence address, home telephone number, beginning and ending work hours, place of employment, work telephone number, and location of the parking space.

Subd. 2. **Classification.** The following government data is classified as nonpublic data with regard to data not on individuals, pursuant to section 13.02, subdivision 9, and as private data with regard to data on individuals, pursuant to section 13.02, subdivision 12: Security information; trade secret information; sealed absentee ballots prior to opening by an election judge; sealed bids, including the number of bids received, prior to the opening of the bids; parking space leasing data; and labor relations information, provided that specific labor relations information which relates to a specific labor organization is classified as protected nonpublic data pursuant to section 13.02, subdivision 13.

Subd. 3. **Data dissemination.** (a) Crime prevention block maps and names, home addresses, and telephone numbers of volunteers who participate in community crime prevention programs

may be disseminated to volunteers participating in crime prevention programs. The location of a National Night Out event is public data.

(b) The responsible authority of a government entity in consultation with the appropriate chief law enforcement officer, emergency manager, or public health official, may make security information accessible to any person, entity, or the public if the government entity determines that the access will aid public health, promote public safety, or assist law enforcement.

History: *1980 c 603 s 15; 1981 c 311 s 11,39; 1982 c 545 s 24; 1984 c 436 s 15; 1985 c 248 s 4; 1990 c 573 s 3,4; 1996 c 440 art 1 s 5,6; 1997 c 111 s 6; 1998 c 371 s 1; 1Sp2003 c 8 art 2 s 7; 2005 c 163 s 33-35*

13.591 BUSINESS DATA.

Subdivision 1. **Not public data when benefit requested.** The following data, that are submitted to a government entity by a business requesting financial assistance or a benefit financed by public funds, are private or nonpublic data: financial information about the business, including credit reports; financial statements; net worth calculations; business plans; income and expense projections; balance sheets; customer lists; income tax returns; and design, market, and feasibility studies not paid for with public funds.

Subd. 2. **Public data when benefit received.** Data submitted to a government entity under subdivision 1 become public when public financial assistance is provided or the business receives a benefit from the government entity, except that the following data remain private or nonpublic: business plans; income and expense projections not related to the financial assistance provided; customer lists; income tax returns; and design, market, and feasibility studies not paid for with public funds.

Subd. 3. **Business as vendor.** (a) Data submitted by a business to a government entity in response to a request for bids as defined in section 16C.02, subdivision 11, are private or nonpublic until the bids are opened. Once the bids are opened, the name of the bidder and the dollar amount specified in the response are read and become public. All other data in a bidder's response to a bid are private or nonpublic data until completion of the selection process. For purposes of this section, "completion of the selection process" means that the government entity has completed its evaluation and has ranked the responses. After a government entity has completed the selection process, all remaining data submitted by all bidders are public with the exception of trade secret data as defined and classified in section 13.37. A statement by a bidder that submitted data are copyrighted or otherwise protected does not prevent public access to the data contained in the bid.

If all responses to a request for bids are rejected prior to completion of the selection process, all data, other than that made public at the bid opening, remain private or nonpublic until a resolicitation of bids results in completion of the selection process or a determination is made to abandon the purchase. If the rejection occurs after the completion of the selection process, the data remain public. If a resolicitation of bids does not occur within one year of the bid opening date, the remaining data become public.

(b) Data submitted by a business to a government entity in response to a request for proposal, as defined in section 16C.02, subdivision 12, are private or nonpublic until the responses are opened. Once the responses are opened, the name of the responder is read and becomes public. All other data in a responder's response to a request for proposal are private or nonpublic data until completion of the evaluation process. For purposes of this section, "completion of the evaluation

process" means that the government entity has completed negotiating the contract with the selected vendor. After a government entity has completed the evaluation process, all remaining data submitted by all responders are public with the exception of trade secret data as defined and classified in section 13.37. A statement by a responder that submitted data are copyrighted or otherwise protected does not prevent public access to the data contained in the response.

If all responses to a request for proposal are rejected prior to completion of the evaluation process, all data, other than that made public at the response opening, remain private or nonpublic until a resolicitation of the requests for proposal results in completion of the evaluation process or a determination is made to abandon the purchase. If the rejection occurs after the completion of the evaluation process, the data remain public. If a resolicitation of proposals does not occur within one year of the proposal opening date, the remaining data become public.

Subd. 4. **Classification of evaluative data; data sharing.** (a) Data created or maintained by a government entity as part of the selection or evaluation process referred to in this section are protected nonpublic data until completion of the selection process or completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

(b) If a government entity asks employees of other government entities to assist with the selection of the responses to a request for bid or the evaluation of responses to a request for proposal, the government entity may share not public data in the responses with those employees. The employees participating in the selection or evaluation may not further disseminate the not public data they review.

Subd. 5. **Internal competitive response.** (a) For purposes of this subdivision, "internal competitive response" means a bid or proposal to provide government goods or services that is prepared by the staff of a government entity in competition with bids or proposals solicited by (1) the same government entity from the private sector or (2) a different government entity from the private sector.

(b) Data in an internal competitive response is classified as private or nonpublic until completion of the selection process or completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

History: *2001 c 202 s 7; 2005 c 163 s 41,42; 2007 c 129 s 38*