INNOVATIVE CONTRACTING POLICY

STATEMENT:

It is the policy of the Ohio Department of Transportation (ODOT) to use innovative contracting methods in construction projects. Innovative contracting methods consist of the techniques described in the Innovative Contracting Manual.

The ODOT Division of Construction Management, District Production Administration, Planning / Program Administration and Highway Management Offices will coordinate the use of innovative contracting methods according to the Innovative Contracting Manual.

The Division of Construction Management will track the usage of innovative contracting methods

AUTHORITY:

Ohio Revised Code 5517.01, 5517.011, 5525.10, 5525.11, 5525.20, and 5525.25.

Ohio Administrative Code 5501:2-7-01 thru 5501:2-7-06

23 CFR Part 630

REFERENCES:

Innovative Contracting Manual
Standard Procedure Number 510-008(SP) Value Engineering in Construction
Policy Number 510-002(P) Warranty Policy
SCOPE:

This policy is for the use of District Production Administration, Planning / Program Administration and Highway Management Offices, and the Division of Construction Management to implement innovative contracting methods to the extent allowed by State law.

BACKGROUND:

Innovative contracting methods are to provide timely completion of a quality project or facility with limited user or social impacts by providing an incentive or disincentive, expediting design / construction and / or guaranteeing the product. The Department has been given authority by the Ohio Revised Code to administer contracts with these methods.

Within the Ohio Revised Code Section 5525.20, the Department has the power and duty to use incentives and disincentives in contracts where a major bridge is out of service, a project has a lengthy detour, an excessive disruption to traffic, a significant impact on public safety or a link that completes a segment of highway.

Within the Ohio Revised Code Section 5517.011, the Department has the authority to combine design and construction elements of a project into a single contract.

Within the Ohio Revised Code Section 5525.25, the Department shall bid no more than 1/5 of the capital program requiring a warranty.

RESPONSIBILITIES:

The District Production, Planning / Program and Highway Management Administrators will coordinate the review of all projects under development to determine if innovative contracting methods should be used. Candidate projects will be identified. The Innovative Contracting Manual will be utilized to determine the best particular contracting methods in order to minimize the construction impact on the traveling public.
All projects which fall within the “Project Criteria” of the Innovative Contracting Manual must use an innovative contracting method or be granted a waiver by the Innovative Contracting Exception Committee.

The District Production Administrator will ensure that the innovative contracting method/s selected will be entered into Ellis in the contract features section of the overview screen.

TRAINING:

The Division of Construction Management is responsible for training District personnel in the effective application of the innovative contracting methods.

FISCAL ANALYSIS:

This policy is expected to have a net positive effect on the fiscal programs of the Department. Time savings and incentive payments should balance with the disincentive/liquidated damages and Value Engineering Change Proposal savings. The Division of Construction Management is responsible for tracking the usage of innovative contracting methods on a project by project basis, along with the associated increases or decreases in contract costs.