



**Written Testimony in Opposition to Alvarez & Marsal Transportation
Recommendations #1 and #3**

To: Senate Transportation Committee
From: Tom Robinett, Vice President of Public Policy and Advocacy
Overland Park Chamber of Commerce
Date: Tuesday, March 15, 2016

Chairman Peterson and Members of the Committee:

Thank you for the opportunity to submit written testimony in opposition to parts of both Recommendations #1 and #3 contained in the Transportation and Turnpike Section of Alvarez & Marsal's Statewide Efficiency Review (Review).

Recommendation #1 states, in pertinent part, that KDOT should "utilize state and not Federal Highway Administration (FHWA) procurement practices for state funded projects that are not on the National Highway System." We question the wisdom of this proposal to achieve "savings" in the process of design and construction of Kansas highways and related infrastructure, believing it to be faulty as well as short-sighted for a couple of reasons.

First, the architectural and engineering services (Services) required for the proper design and construction of quality and safe highways and related infrastructure are of a highly technical nature and should be provided by well-qualified and experienced professionals. Since Congress passed the Brooks Act in 1972, federal law has required the use of Qualifications Based Selection (QBS) for procuring those Services in connection with National Highway System and other federally funded projects. Currently, 46 states and many local governments also use the QBS process for their respective state and locally funded highway and related infrastructure projects in order to ensure that they also receive the same high quality Services, rather than simply selecting the low bidder on a project without regard for that bidder's experience and other qualifications.

Second, it is important to consider not only the initial, upfront cost, but the ongoing cost throughout the life of the project should be taken into account in determining the overall costs to be incurred. For example, engineering services typically account for only 0.5-1.0% of the total cost of the project; however, a properly and well-designed project is more likely to stay on schedule and on budget with the result being a better performing project that incurs lower maintenance and repair costs.

The Chamber also opposes that portion of Recommendation #3 that suggests that KDOT should hire 20 additional staff engineers to reduce the use of consultant engineers. We believe that the cost comparisons used in the Review overstate the potential savings that it projects could be realized with the addition of these new FTE's to the KDOT staff. Factors overlooked appear to include competition with the private market, particularly with respect to compensation, and the impact on the ability to attract and retain the quality professionals needed.

Also part of the "competition factor" is the state's desire to promote private sector job growth, an important and worthwhile goal, and the underlying conflict between that goal and this recommendation.