

Colorado Risk-Based Cost Estimation Peer Exchange

May 10-11, 2016

DoubleTree Denver-Aurora, 13696 East Iliff Place, Aurora, CO 80014

Meeting Purpose

Identify best practices for risk-based cost estimation, including: 1) processes, 2) implementation approaches; 3) and general lessons learned.

Background

CDOT's goal is to improve its risk-based cost estimation methodology in order to optimize program delivery. The Peer Exchange will inform CDOT on best practices and lessons learned so that staff can customize a vision and recommended approach afterwards. The types of questions CDOT is interested in learning about include the following. Participants include representatives from CO, FL, GA, MN, NV, OR, and WA.

Processes/ Approaches

- What is the impetus for using a risk-based cost estimating approach? What triggers a more thorough/ detailed cost estimate?
- What processes and specific tools do you use? How do you do things differently based on contract type and complexity? Do you do schedule loading cost estimating?
- How do you ensure cost estimates are appropriate across pre-construction and construction phases?
- Do you track cost estimates throughout the life of the project? If so, how?
- How accurate have your cost estimates been? How do you determine accuracy?
- Do you include an independent review?

Implementation Approach

- Do you do cost estimates in-house or contract out? What are the pros and cons of each approach?
- Does your approach apply to local agency projects?
- If you are using in-house staff, how did you build their expertise and how long did it take?
- What were key components of your implementation approach (e.g., products, training, modified organizational structure, and change management strategies)? What was the level of effort and timeframe to fully implement your approach?
- What challenges did you face getting your regions/ staff on board and how did you overcome them?
- How has your communication changed as a result? Is your executive management team comfortable communicating in cost and schedule ranges? Have you changed how you communicate with political officials, the media and other stakeholders?
- Do you have metrics to measure success and/or return on investment (e.g., cost accuracy and credibility)?

General Lessons Learned

- What are your lessons learned (strengths and challenges)? If you could re-create your program knowing what you know now – what would you change?

Agenda

Tuesday, May 10, 2016 – 8 am – 5 pm

Welcome, Introductions and Agenda Review (8:00 – 8:30 am)

CDOT Context- Setting Presentation and Q/A (8:30 – 9:30 am)

Ben Acimovic, Ryan Sorensen and David Kosmiski will provide an overview of: what risk-based cost estimation, the purpose of the peer exchange, relevant CDOT structure, culture and other important context information, and risk-based cost estimation efforts that have been used on some projects.

Break (9:30 – 9:45 am)

Overview of State Programs

Each invited state DOT will have 20 minutes to share highlights of their risk-based cost estimation programs, including an overview of their methodology, implementation approach, and lessons learned. There will be approximately 20 min of Q/A after each presentation.

- Nevada, Cole Mortensen: 9:50 – 10:30 am
- Florida, Greg Davis: 10:30 – 11:10 am
- Minnesota, Jennifer Read: 11:10 – 11:50 pm
- Lunch (provided): 11:50 – 1:00 pm
- Washington, David Smelser and Ovidiu Cretu: 1:00 – 2:10 pm
- Break: 2:10 – 2:25 pm
- Oregon, Lee Ann Chamber Hart: 2:25 - 3:15 pm
- Georgia, David Cox: 3:15 – 3:55 pm

Preparation for Day 2 Panel Conversation (4:00 – 5:00 pm)

Participants will discuss key questions for discussion during the Day 2 panel.

Wednesday, May 11, 2016 – 8 am – 11:30 am

Panel Presentation (8:00 – 10:00 am)

CDOT and invited state DOT presenters will respond to questions during a moderated panel session, building from the questions identified at the end of Day 1.

Break (10:00 – 10:15 am)

Small Group Conversations (10:15 – 11:15 am)

If specific topics are raised during the discussion that warrant more detailed discussion, the group will break into smaller groups based on individual preference. Otherwise, they will continue with the panel format until all key questions have been answered.

Peer Exchange Wrap-Up and Review of Next Steps (11:15 – 11:30 am)