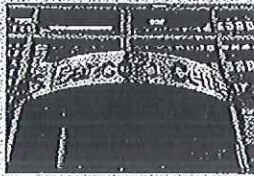


**Conventional wisdom**  
Minneapolis bids for the DNC, but the odds are long, the benefits debatable.

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## Plan errors on several projects lead to MnDOT process review

**EXCLUSIVE**

**BY BRIAN JOHNSON**  
Staff Writer

With help from a national transportation consultant, the Minnesota Department of Transportation (MnDOT) is reviewing its "project development process" in an effort to address a growing concern: plan errors in the department's construction documents.

Highway contractors have expressed frustration in recent months over plan errors in several high-profile MnDOT projects, such as the Highway 60 expansion in southern Minnesota and the Highway 23 Paynesville bypass.

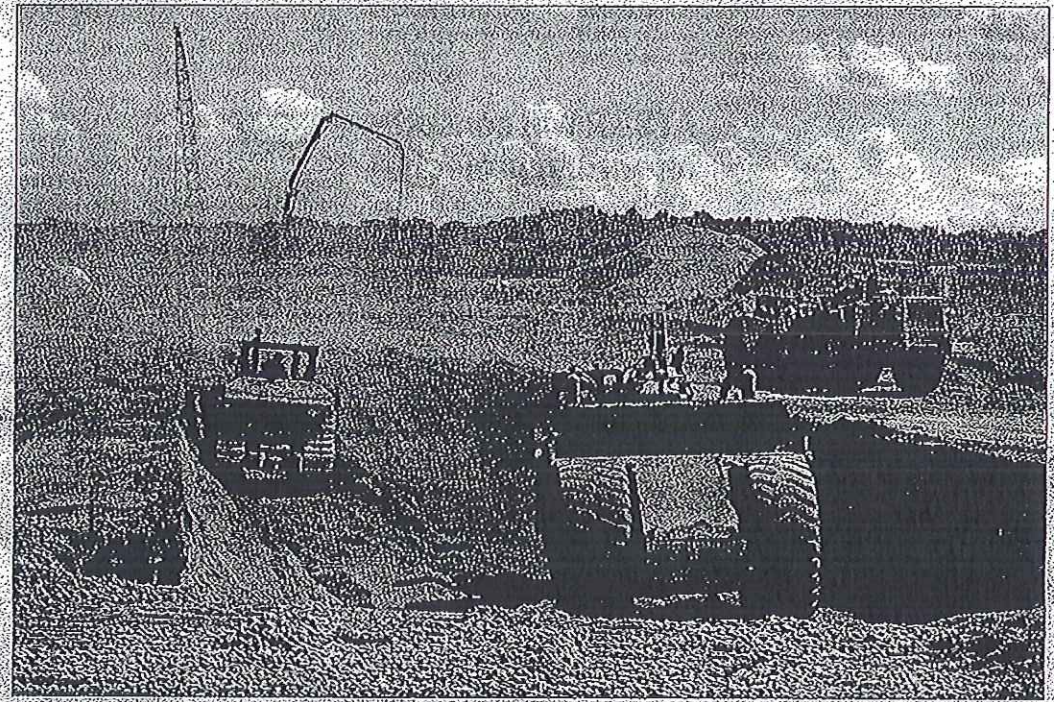
Plan errors sometimes make it necessary for the department to rebid projects, a complication that can result in construction delays, cost increases and headaches for both the department and contractors.

"We have seen some plan errors in the last six to eight months," said Jon Chiglo, director of MnDOT's Office of Technical Support. "We have some initiatives we are working on to improve upon that performance."

Chiglo said there are always a few rebids each year, adding that he doesn't necessarily believe there are more rebids this construction season than in a typical year. Further, he said rebids don't always stem from a plan error.

Nonetheless, he acknowledged the concern—in part because the rebids are happening on major projects. "The projects have just been more visible, because of the size," he said.

In a July 6 letter to contractors, MnDOT Engineering Services Division di-



Road-building crews dig into the Highway 23 Paynesville bypass project in the Paynesville area. The project cost went up by about \$800,000 after it was rebid earlier this year. (Staff Photo: Bill Klofz)

rector Michael Barnes wrote that increased funding from the state and federal government in recent years has resulted in a larger construction program.

The department welcomes the funding, but it has also "increased our work load, and that has resulted in unfortunate issues

such as plan errors leading to bid rejections," Barnes wrote.

The letter went on to note that MnDOT has increased plan reviews "starting with higher-risk areas such as earthwork calculations and traffic control plans."

**Transportation consultant hired**

MnDOT recently turned to Tom Warne, a national transportation consultant and former secretary of the Utah Department of Transportation, to help improve the

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# MnDOT Increased workload blamed for construction plan errors

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quality of the department's plans.

Warne will use "surveys, interviews, and facilitated meetings" with MnDOT and contractors to "further identify and clarify areas of improvement in the project development process," according to MnDOT.

Tim Worke, director of the Associated General Contractors of Minnesota's Highway Division, said contractors who bid on MnDOT work need to know that the plans are "accurate and reliable."

Bottom line, he said, they don't want to spend time and resources bidding a job, and working with suppliers and subcontractors, only to have MnDOT "turn around and say, we can't award the project because we discovered there were some errors."

A notable recent example is the Highway 60 four-lane expansion project. In May, MnDOT announced that it was seeking new bids for the project because of a "discrepancy in the construction plan that could affect the final cost of the project."

The error had to do with the amount of earthwork required for the project, which was originally awarded to Wisconsin-based Hoffman Construction.

On July 16, MnDOT announced a new apparent low bidder: Sleepy Eye-based Mathiowetz Construction.

Mathiowetz's bid of \$17.8 million is actually a bit lower than the original low bid. The delay in awarding the bid set back the project schedule slightly, but it's still slated for completion in 2011, according to MnDOT.

Earlier this spring, Mathiowetz itself came up short in another re-bid: a \$90 million-plus Highway 23 Paynesville bypass project, which will take place over the next three summers.

In the first round of bidding, in late 2009, Mathiowetz submitted an apparent low bid of \$91.4 million.

MnDOT called for a new set of Highway 23 bids after discovering that the bids were "unbalanced."

As Chiglo put it, "there were some computational errors" that "generated some concern on our part. That is why we rebid those projects."

Angora-based KGM Contractors was the low bidder the second time around, with a bid of \$92.2 million, roughly \$800,000 more than Mathiowetz's original bid and \$357,000 less than Mathiowetz's second submittal.

Mathiowetz, KGM and Hoffman declined offers to comment on the rebids.

Jeff Bertram, a Paynesville City Council member, questioned the need for a rebid of the Highway 23 Paynesville bypass project. At minimum, he said, the rebid added to the project's cost and raised questions about the integrity of the process.

"A lot of people, including contractors, had to spend staff time in punting after the field goal was done," he said.

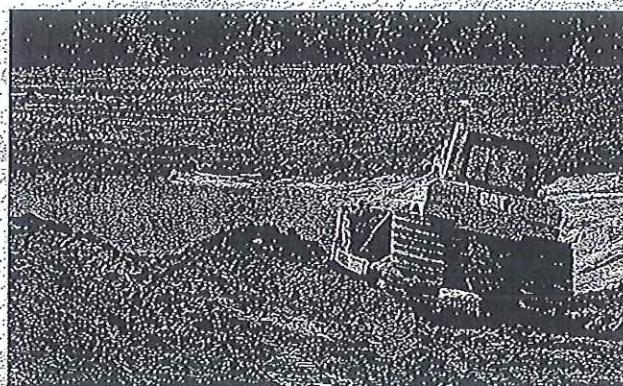
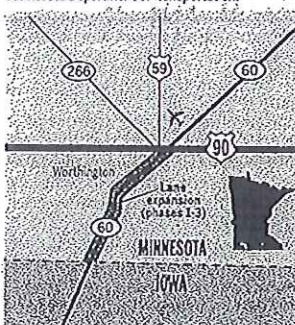
The final cost was "close to \$1 million difference, and from a standpoint of good



A rebid of the Highway 23 Paynesville project did not delay construction, but the second round of bidding rankled some of the stakeholders. "A lot of people, including contractors, had to spend staff time in punting after the field goal was done," Paynesville City Council member Jeff Bertram said.

## Highway 60 four-lane expansion

The Highway 60 project is part of a three-phase effort to expand the highway from two lanes to four lanes between Bigelow and Worthington. The upgrades are part of a long-term plan to expedite travel between the Twin Cities and Denver. Source: Minnesota Department of Transportation.



Sleepy Eye-based Mathiowetz Construction was the apparent low bidder in the first round of bidding for the Highway 23 project, but the firm lost out to KGM Contractors in the rebid. (Staff Photos: Bill Klotz)

government policy — I don't care if it is local, state or federal money, it all comes from the same place: the taxpayer," Bertram said.

"In general, there's a feeling of 'unsettledness' in the marketplace when you don't know if your best and final offer in a low-bid situation is going to be honored," Worke said.

"You can't compete in a fair marketplace with that cloud hanging over things,"

George Mattson, president of Shafer Contracting in Shafer, said contractors put a lot of effort into preparing bids for projects such as Highway 60 and the Paynesville bypass.

"Those are sizeable jobs," said Mattson, whose firm did not submit bids for any of the projects that went out for rebid.

"I don't know what the errors were, but I know we would be terribly disappointed if we were the low bidder on the project and then they had to rebid it and, for whatever reason, we didn't get it the second time around."

Despite his concerns about the plan errors and rebids, Worke says it's not his intent to beat up on MnDOT.

He notes that Warne, the consultant MnDOT is turning to for help, has a "pedigree a mile long." Among other things, Warne oversaw the Utah Department of Transportation during the build-up to the 2002 Winter Olympics in Salt Lake City.

Worke also credits the department for seeking advice from contractors.

"They [MnDOT] have turned a critical eye back on themselves and said, 'We have some problems here.' And they asked for our input and we are glad to do that," he said.

Chiglo said the department takes a lot of pride in what it does.

"You don't know if your best and final offer in a low-bid situation is going to be honored. You can't compete in a fair marketplace with that cloud hanging over things."

— Tim Worke, director, Associated General Contractors of Minnesota's Highway Division

"This is something we take very seriously and that is why we have some initiatives that are moving forward now and that is why we have hired this consultant to assist us," he said.

## Highway 23 bypass project

The Highway 23 Paynesville bypass project extends 7.7 miles from Kandiyohi County Road 6 to 263rd Avenue east of Paynesville. The three-year project includes grading, surfacing, lighting and construction of eight bridges. Source: Minnesota Department of Transportation.

