

## Alternative Contracting Method (ACM) Development Roadmap

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### Purpose Statement:

The purpose of this document is to provide a roadmap for the evaluation, selection, and potential implementation of alternative contracting methods (ACMs) within our transportation agency. SDDOT will update this document periodically to communicate its approach to development of ACMs in collaboration with industry partners and other stakeholders.

This roadmap aims to:

- 1. Enhance Project Delivery:** Identify and deploy contracting approaches that improve project efficiency, cost-effectiveness, and timeliness.
- 2. Foster Innovation:** Encourage innovative solutions to address complex infrastructure challenges while maintaining high-quality standards.
- 3. Ensure Accountability:** Establish transparent and consistent decision-making processes that align with agency goals, stakeholder expectations, and regulatory requirements.
- 4. Optimize Resource Utilization:** Maximize the impact of available resources through tailored contracting strategies that suit the specific needs of projects.
- 5. Promote Collaboration:** Strengthen partnerships between public and private entities by defining roles, responsibilities, and communication channels.

By adhering to this roadmap, SDDOT seeks to deliver infrastructure projects that meet the evolving needs of the agency while achieving greater value and resilience.

### Principles of Development:

SDDOT will use an incremental approach to the development of viable alternative contracting methods which could take several years to deploy. To be transparent and accountable to individuals and groups that may be impacted by the implementation of alternative contracting methods, SDDOT has established the following ACM development principles that it will follow as it evaluates the potential implementation of ACMs.

- SDDOT will publish updated information on its website as it becomes available and provide an opportunity for stakeholders to comment on this information.
- SDDOT will actively consider comments provided by stakeholders and seek to create a program that will be fair to all participants.
- SDDOT will meet with interested stakeholders throughout program development to provide an opportunity to discuss specific comments.
- SDDOT will develop a program that is accessible to its existing partners and will provide training and other support before beginning a procurement for an alternative contracting project.
- SDDOT will not overlap implementation of multiple alternative contracting methods at the same times to mitigate the impact on stakeholders.
- SDDOT will continue to deliver the vast majority of its program through the existing design-bid-build process.

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### Implementation Steps:

Development of an alternative contracting program is currently anticipated to follow the steps described below. SDDOT intends to consider information gained during program development. The activity described below may need be adjusted through this learning process.

#### Step 1: Discovery

- Gather information from peer DOTs, FHWA, academic research, and other sources to understand best practices for development of an alternative contracting program.
- Engage potentially impacted stakeholders early to provide an opportunity for input during this discovery step of program development.
- Review different alternative contracting methods for which new legislative authority may be sought and provide education to potentially impacted stakeholders.
- Determine the scope of potential alternative contracting authority that may be included in new legislation.

#### Step 2: Legislative Process

- Develop draft legislation to provide new project delivery authority to SDDOT
- Engage potentially impacted stakeholders during development of draft legislation.
- Develop information material to use in support of the legislative process and provide education to potentially impacted stakeholders.
- Identify legislative sponsors and provide education related to the coordination that has been done by SDDOT, the benefits of alternative contracting, and the level of support that exists from potentially impacted stakeholders.
- Work with sponsors to pass alternative contracting authority.

#### Step 3: Administrative Development

- Review administrative rules, policies, manuals, specifications, and procurement/contracting processes and update as needed. This may include:
  - Development of administrative rules to implement the legislation.
  - Development of an alternative contracting manual.
  - Development of delivery method screening processes.
  - Development of template procurement and contract documents.
  - Modifications necessary to align existing SDDOT standards and manuals with alternative contracting approaches.
- Engage potentially impacted stakeholders during this process and provide education related to new rules, policies, manuals, specifications, and procurement/contracting processes.

#### Step 4: Project Delivery

- Identify the first project to be delivered using an alternative contracting method.
- Provide education and training specific to the delivery method that will be used for the project.



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- Procure, contract, and administer the project pursuant to the established rules, policies, manuals, specifications, and procurement/contracting processes.
- Provide a post construction review of project, noting and tracking lessons learned based on experience using an ACM.
- Document innovations, cost savings, etc. that were implemented as well as those that were not with the idea that they could impact future bids and/or schedules regardless of contracting method.
- Work with industry partners and other stakeholders to update ACM processes based on post construction reviews.