



# Success of DRBs in Florida

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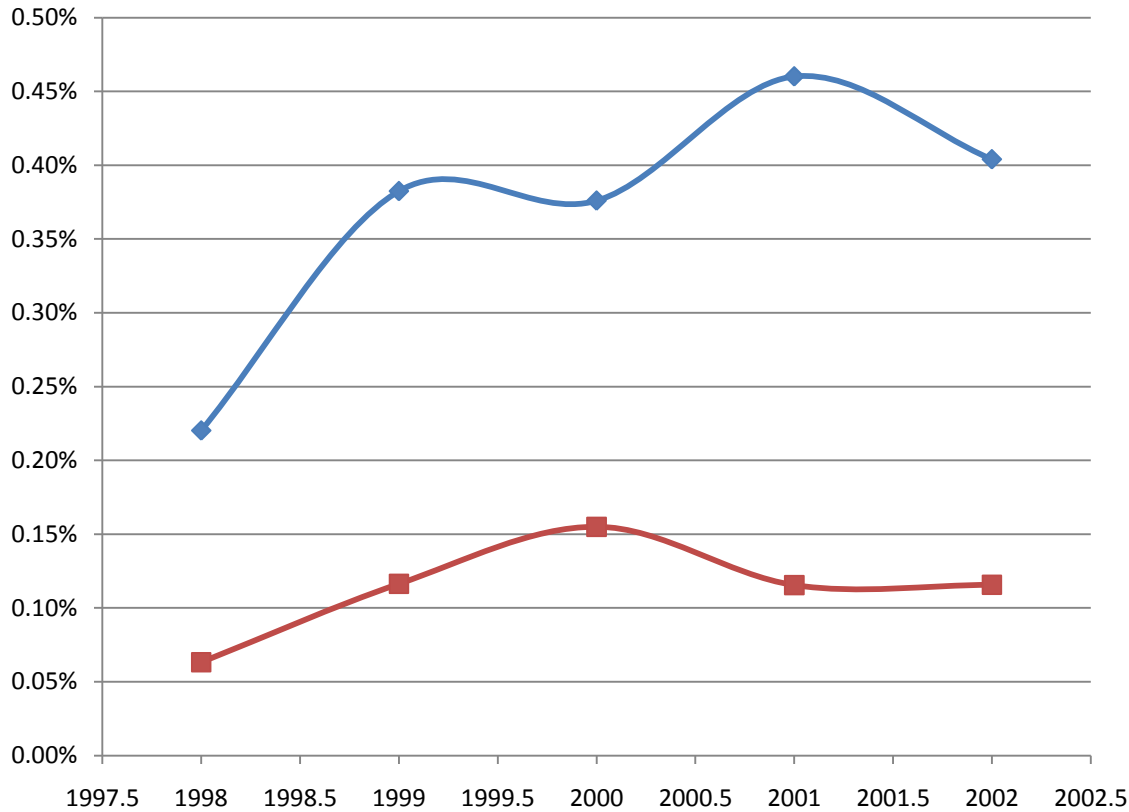
# DRB Evolution in Florida

- 1994 – FDOT tries DRBs
- 1998 – FDOT DRB program underway
  - 20 DRB projects
  - Projects > \$10 M assigned DRBs
- 2002 – FDOT adds Regional DRBs
  - All project without a project DRB may request hearings from a regional DRB
- Today – DRBs a critical component of the FDOT work program
  - 460 DRBs through 2009

# Other Owners Have Followed the FDOT Lead

- Florida Department of Transportation
- Tampa-Hillsborough County Expressway Authority
- Orlando-Orange County Expressway Authority
- Miami-Dade Expressway Authority
- Greater Orlando Aviation Authority

# FDOT Investment in DRBs



0.37 % of project cost

DRB cost as a percentage of DRB project  
Percent DRB to Program Budget

0.11 % of program cost

# Acceptance of DRB Recommendations

- Accepted by both parties = 84%
- Rejected by either party = 16%

# Resolution after Rejections

- Many recommendations are rejected by the FDOT and then settled by the FDOT through supplemental agreement
- Recommendations rejected by contractors are rarely carried further

# FDOT State Arbitration Board

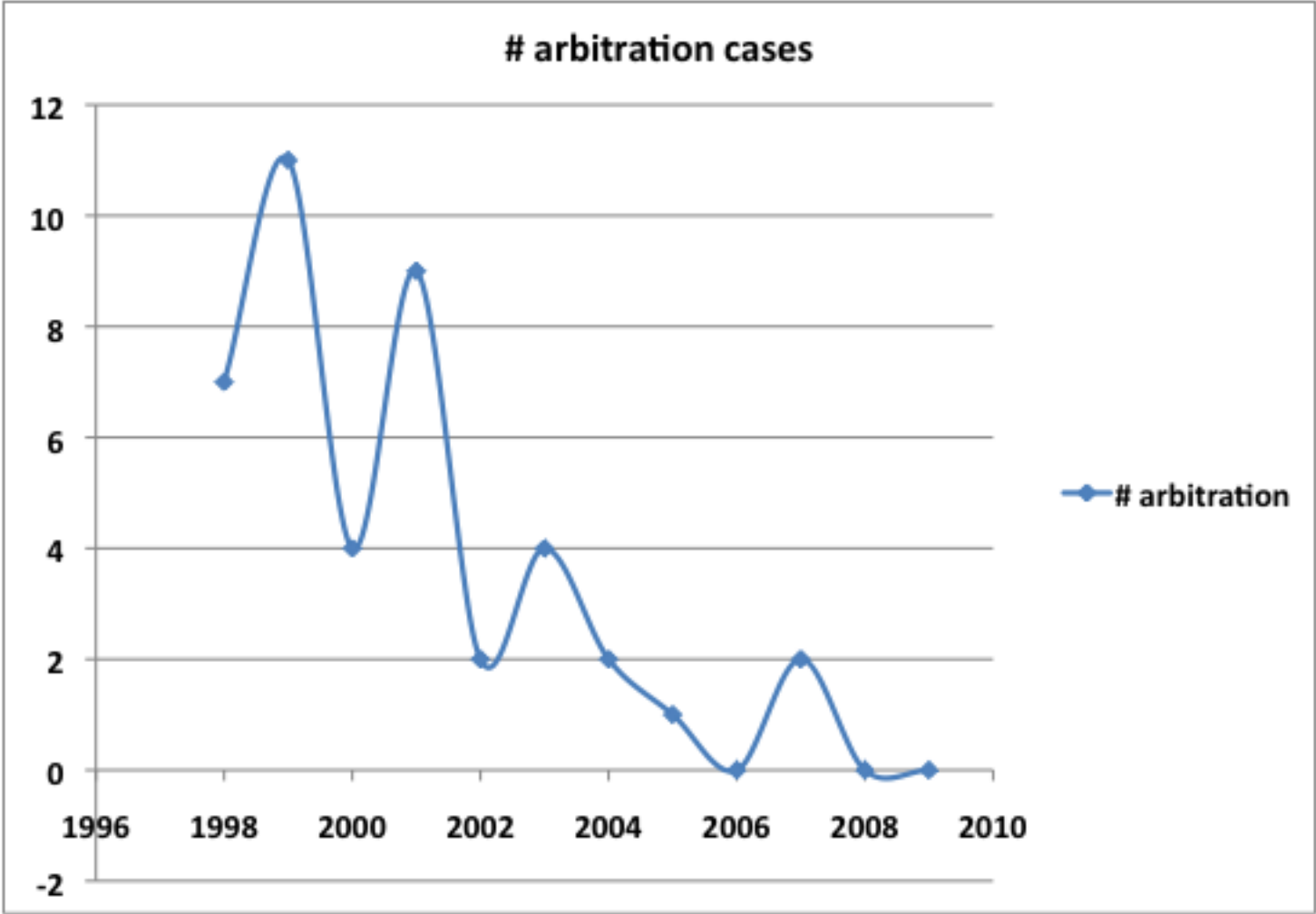
The next step after DRB recommendation

- Three members
  - One appointed by FDOT
  - One chosen by contractors (FTBA)
  - Two appointed members chose the third member

# Arbitration Board Procedures

- Either the FDOT or Contractor may bring a dispute to the Board
- All disputes must have first been heard by a DRB (DRB recommendation is considered)
- Claims less than \$250k must go to SAB
- Claims \$250k to \$500k may go to SAB
- Claims \$500k to \$1million may go to SAB with both party's agreement

# DRB Influence on Arbitration Cases



# Office of Inspector General

## Audit of FDOT DRB Program (2002)

The DRB process appears to be effective in assisting in the resolution of disputes, leading to more timely completion of projects, reduced cost overruns, and avoidance of claims.

**Table B: Time and Cost Overruns for DRB and Non-DRB Projects**

Contracts Lasting Longer than 1 Year	No. of Contracts	Av. Days <sup>1</sup> Overrun	% Time <sup>2</sup> Overrun	Av. Cost <sup>3</sup> Overrun	% Costs <sup>4</sup> Overrun
DRB Contracts	15	11.5	1.84%	\$1,675,369	12.12%
Non-DRB Contracts	60	105.3	19.10%	\$1,448,997	17.89%

Source: Annual Time and Cost Overrun data per the State Construction Office.

DRBs saved more than 5% in cost overrun.

DRBs saved more than 17 % in time overrun.

# You can do the math

- We are spending approximately 0.01 %
- We are saving approximately 5 % in direct project cost
- Litigation has been reduced to a rarity
- One significant litigation would cost more than the total yearly investment in DRBs

Questions ?