

# Some on NTTA board uneasy about plan to replace major contractors

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The [North Texas Tollway Authority](#) is learning the hard way that severing connections to its five most important contractors won't be easy – if it can be done at all.

At a meeting this morning, board members are expected to stop – or at least delay – a process initiated by the staff to replace two of NTTA's most prominent partners, an abrupt about-face that probably also would halt the competition for the other three major contracts due to be awarded this year.

The effort to shake up the roster of contractors comes eight months after an analysis by *The Dallas Morning News* showed that NTTA's reliance on its five legacy firms has cost it millions of dollars in unnecessary fees over the years, as the firms' roles have mushroomed far beyond their initial scope.

So far, NTTA executives have recommended that new firms replace HNTB Inc. and Wilbur Smith Associates – two giants of the North American toll industry that have been integral to NTTA's operations for decades.

But some board members have pushed back, and in interviews this week they expressed deep reluctance to accept the staff recommendations. Some members said existing contractors were given too little credit for the excellence they've provided over the years. Others said HNTB is simply too important to NTTA's success to be cast off now.

"We have not put enough effort into thinking through what the ramifications might be in doing this change at this time," said board member Kenneth Barr, the former Fort Worth mayor. "We – and I mean this as a big collective we, both the board and the staff – we didn't think hard enough about impact of the changes."

Many of the key employees who manage major NTTA road projects are employed by contractors like HNTB, and every penny of NTTA's debt – both the \$7.5 billion it owes now and the \$700 million it expects to borrow this year – is guaranteed by forecasts made by Wilbur Smith.

And with big projects like State Highway 161, Southwest Parkway and the conversion to all-electronic tolling either under way or about to begin, changing teams now could cost NTTA more than it saves, and could make bondholders worry that the agency no longer has confidence in revenue projections by Wilbur Smith, board chairman Paul Wageman said.

"We need to take a deep breath and examine the timing of these procurements," Wageman said. "We need to be smart about it. I want to be certain that we are doing what is best for NTTA."

Firms on both sides of the issue – both those that want to keep their present contracts and those that want new ones – have been busy lobbying board members, three members conceded in interviews this week. All said the phone calls and meetings had been proper.

But the calls underscore just how much is at stake, both in terms of the money involved and how restructuring the contracts could mean bonanzas for dozens of subcontractors, including minority firms, who stand to win new business.

NTTA paid tens of millions of dollars each year to the five legacy firms combined.

[Allen](#) Clemson, NTTA's executive director, has said he would make changes in how the contracts were managed immediately, and would seek to have new firms compete for the contracts when they expire this year.

"I am new at this organization," Clemson told *The News* last year. "I don't have a single relationship with anybody in the law firms or the engineering firms. So we are going to make sure that our request for proposals are properly structured, and cover the body of work that we need to have, and don't have a bunch of tricks in them. I want to encourage, and hope to get, good firms to compete. We will evaluate them in very open and transparent way and see what happens.

"I would think that of all the times these contracts have been in place, that this is a very likely time for changes to happen," he said.

Wageman said Clemson and he were sincere when they said changes would come. But he has grown uneasy over the prospect of making such big changes at such an important time in NTTA's history, he said Tuesday.

"Neither the staff nor the board ever really got into the details what it would mean to make these changes at this particular time," Wageman said. "I wish we were not in this position. I wish the board had exercised oversight and diligence and wish the staff had thought of this in a more comprehensive way."

He and other members said it's not clear what the majority of the board will do at today's meeting, though it appears likely the recommendation to replace HNTB will be withdrawn or canceled, and the staff asked to work on a new approach to bidding out the five contracts.

"I am not opposed to changing who we hire to do that work," said Bob Shepard, the lone board member appointed by Gov. [Rick Perry](#). "My question is that with as many projects as we have on the horizon, whether we need to do this at this time. It's a not a question of who does our work, but ... if we should delay it for a year or two."

Clemson acknowledged Tuesday that he had probably moved too fast.

"I feel I might have gotten out in front of the board on that issue," Clemson said. "I owe it to them to be very sensitive to that risk. ... We need to make sure it's the right time."